

INDEPENDENT AUDITOR'S REPORT

To the Members of Airmid Aviation Services Limited Report on the Financial Statements

We have audited the accompanying financial statements of **Airmid Aviation Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding of the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting standards and standards on auditing 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 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 the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required under provisions of Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
 - e. On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. As detailed in Note 28 to the financial statements, the company has disclosed the impact of pending litigation on its financial position.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to

30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. (Refer Note 34 of the aforesaid financial statements).

For Agarwal Prakash & Co.
Chartered Accountants
Firm's Registration Number: 005975N

Vikas Aggarwal
Partner
Membership No.: 097848

New Delhi
May 23, 2017

Annexure A referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our report of even date on the financial statements for the year ended March 31, 2017

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

- i)
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
 - c. The Company does not hold any immovable properties (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- ii) As the company has no inventory during the year. Accordingly, the provision of clause 3(ii) of the order are not applicable to the Company.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable to the Company.
- iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) In respect of Statutory dues :
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2017 for a period of more than six months from the date of becoming payable.

- b. According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax , Cess on account of any dispute, which have not been deposited.
- viii) In our opinion, the Company has not defaulted in repayment of loans or borrowings to any bank during the year. Further, the Company has no loans or borrowings payable to a financial institution or government and no dues payable to debenture-holders during the year.
- ix) As explained to us, no money raised by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not obtained any term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or its employees was noticed or reported during the year.
- xi) In our opinion, the provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company as the Company does not pay/provide for any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 & 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by applicable accounting standards.
- xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of Shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Agarwal Prakash & Co.
Chartered Accountants
Firm's Registration Number : 005975N

Vikas Aggarwal
Partner
Membership No.: 097848

New Delhi
May 23, 2017

Annexure B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of **Airmid Aviation Services Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in

accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Agarwal Prakash & Co.
Chartered Accountants
Firm's Registration Number: 005975N

Vikas Aggarwal
Partner
Membership No.: 097848

New Delhi
May 23, 2017

Airmid Aviation Services Limited
(Formerly Airmid Aviation Services Private Limited)
Balance sheet as at March 31, 2017

		As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES	Note		
Shareholders' funds			
Share capital	4	100,000,000	100,000,000
Reserves and surplus	5	(1,257,932,674)	(742,196,357)
Total of shareholder's funds		<u>(1,157,932,674)</u>	<u>(642,196,357)</u>
Non-current liabilities			
Long-term borrowings	6A	2,691,474,151	3,343,197,466
Other Long term liabilities	7A	1,580,600,000	950,000,000
Long-term provisions	8A	10,376,350	9,535,951
Total of non-current liabilities		<u>4,282,450,501</u>	<u>4,302,733,417</u>
Current liabilities			
Short-term borrowings	6B	2,026,968,750	1,000,000,000
Trade payables	9		
(a) Payable to micro enterprises and small enterprises		-	-
(b) Other payables		<u>34,881,785</u>	<u>41,057,951</u>
Other current liabilities	7B	101,723,074	184,793,339
Short-term provisions	8B	208,663	221,061
Total of current liabilities		<u>2,163,782,272</u>	<u>1,226,072,351</u>
Total of equity and liabilities		<u><u>5,288,300,099</u></u>	<u><u>4,886,609,411</u></u>
II. ASSETS			
Non-current assets			
Fixed assets	10		
- Tangible assets		4,170,419,966	4,350,417,246
Deferred tax assets, net	21	47,832,516	47,832,516
Long-term loans and advances	11A	144,409,383	133,451,217
Other non-current assets	12A	683,428,301	-
Total of non-current assets		<u>5,046,090,166</u>	<u>4,531,700,979</u>
Current assets			
Trade receivables	13	164,709,949	239,787,204
Cash and cash equivalents	14	49,895,138	79,021,776
Short-term loans and advances	11B	25,921,313	33,903,587
Other current assets	12B	1,683,533	2,195,865
Total of current assets		<u>242,209,933</u>	<u>354,908,432</u>
Total of assets		<u><u>5,288,300,099</u></u>	<u><u>4,886,609,411</u></u>

Significant accounting policies 3

The accompanying notes are an integral part of financial statements

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

For Agarwal Prakash & Co.
Chartered Accountants
Firm Registration No.: 005975N

For and on behalf of Board of Directors

Vikas Aggarwal
Partner

Anil Malhan
Director
DIN: 01542646

Gurbans Singh
Director
DIN: 06667127

Place: New Delhi
Date: May 23, 2017

Namrata Gupta
Company Secretary

Saurabh Garg
Chief Financial Officer

Airmid Aviation Services Limited
(Formerly Airmid Aviation Services Private Limited)
Statement of profit and loss for the year ended March 31, 2017

	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue			
Revenue from operations	15	341,093,734	482,679,617
Other income	16	3,290,960	13,513,461
Total of revenue		344,384,694	496,193,078
Expenses			
Operating expenses	17	250,032,936	271,673,590
Employee benefits expense	18	75,685,015	94,354,051
Finance costs	19	251,517,360	371,460,050
Depreciation and amortization expenses	10	267,366,696	218,744,640
Other expenses	20	15,519,004	17,251,697
Total of expenses		860,121,011	973,484,028
Profit/(loss) before tax		(515,736,317)	(477,290,950)
Tax expense:	21		
- Current tax (including tax related to earlier year)		-	(474,513)
- Deferred tax		-	-
Profit/(loss) for the year		(515,736,317)	(476,816,437)
Earnings per equity share	22		
- Basic		(51.57)	(47.68)
- Diluted		(51.57)	(47.68)
Face value per equity share		10	10
Significant accounting policies	3		

The accompanying notes are an integral part of financial statements

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

For Agarwal Prakash & Co.
Chartered Accountants
Firm Registration No.: 005975N

For and on behalf of Board of Directors

Vikas Aggarwal
Partner

Anil Malhan
Director
DIN: 01542646

Gurbans Singh
Director
DIN: 06667127

Place: New Delhi
Date: May 23, 2017

Namrata Gupta
Company Secretary

Saurabh Garg
Chief Financial Officer

Airmid Aviation Services Limited
(Formerly Airmid Aviation Services Private Limited)

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

1. Company overview

Airmid Aviation Services Limited was incorporated on July 20, 2007 as Airmid Aviation Services Private Limited. The Company is engaged in rendering non-scheduled aircraft passenger services, including helicopter charter services and all other related and ancillary activities.

In accordance with the provisions of Section 18 and other applicable provisions of the Companies Act, 2013, the members of the company at their Extraordinary General Meeting held on 22 December 2014, accorded their approval to change the status of the Company from a private limited company to a public limited company. The company has since received a fresh certificate of incorporation consequent upon change of name on conversion to a public limited company from the Registrar of Companies, National Capital Territory of Delhi & Haryana dated December 22, 2014, in respect of the said change. Accordingly, the name of the Company was changed from Airmid Aviation Services Private Limited to Airmid Aviation Services Limited

2. Basis of preparation of financial statements

i. Basis of accounting

The financial statements have been prepared on going concern basis under the historical cost basis, in accordance with the generally accepted accounting principles in India and in compliance with the applicable accounting standards as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Companies Act 2013.

ii. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, if any, on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

3 Significant accounting policies

a) Revenue recognition

- i) Revenue from air transportation services is recognised in the year in which the service has been rendered, and billed as per terms of contract / arrangements with customers, provided that collection is reasonably certain.
- ii) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- iii) Dividend income is recognized when the right to receive payment is established, at the balance sheet date.
- iv) Profit on sale of investment is recognized on the date of its sale and is computed as excess of sale proceeds over its carrying amount as at the date of sale.
- v) Advisory service income and revenue from pilot hire income is recognized on an accrual basis.

b) Fixed assets

Recognition and measurement

Tangible fixed assets are stated at cost; net of tax or duty credits availed, less accumulated depreciation and impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.

Intangible assets are stated at cost, net of tax or duty credits availed, less accumulated amortization and impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition.

Airmid Aviation Services Limited
(Formerly Airmid Aviation Services Private Limited)

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

Depreciation and Amortization

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV of Companies Act, 1956 were used for charging depreciation. From the year ended March 31, 2015, schedule XIV has been replaced by Schedule II of Companies Act, 2013. Schedule II of Companies Act, 2013 prescribed the useful lives of fixed asset which, in many cases, are different from lives prescribed under Schedule XIV.

Depreciation on fixed assets is provided on the straight-line method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use subject to transitional provisions of Schedule II.

Tangible assets are amortized over the expected useful life from the date the assets are available for use, as mentioned below:

Description of asset :	Estimated life :
Aircrafts	20 years
Plant and equipments	12 years
Office equipments	5 years
Computers	3 years
Furniture and fixtures	10 years
Vehicles	10 years

Intangible assets are amortized over the expected useful life from the date the assets are available for use, as mentioned below:

Description of asset :	Estimated life :
Computer softwares	4 years

Capital work-in-progress

Costs of fixed assets under construction are disclosed under capital work-in-progress. Advances paid towards acquisition or construction of fixed assets or intangible assets is included as capital advances under long term loans and advances.

c) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets in accordance with notified Accounting Standard 16 "Borrowing costs". A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

d) Investments

Investments are classified as non-current or current investments, based on management's intention. Investments that are readily realizable and intended to be held not more than a year are classified as current investments. All other investments are classified as non-current investments.

Current investments are stated at lower of cost and fair value determined on an individual investment basis. Non-current investments are stated at cost less provision for diminution in their value, other than temporary, if made in the financial statements.

e) Impairment of assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

Airmid Aviation Services Limited
(Formerly Airmid Aviation Services Private Limited)

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

f) Employee benefits

The Company's contribution to provident fund and employee state insurance schemes is charged to the statement of profit and loss. The Company's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan.

The Company has unfunded gratuity (defined benefit plan) and compensated absences for its employees, the liability for which is determined on the basis of actuarial valuation, conducted annually, by an independent actuary using projected unit credit method, in accordance with notified Accounting Standard 15 (Revised 2005) – 'Employee Benefits'. Actuarial gains and losses are recognized in the statement of profit and loss.

Expense in respect of other short-term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

g) Stock based compensation expense

Stock based compensation expense are recognized in accordance with the guidance note on 'Accounting for employee share based payments' issued by the Institute of Chartered Accountants of India ('ICAI'), which establishes financial accounting and reporting principles for employee share based payment plans. Employee stock compensation costs are measured based on intrinsic value of the stock options on the grant date. The compensation expense is amortized over the vesting period of the options.

h) Leases

Lease payments under operating leases are recognised as expense in the Statement of Profit and Loss over the lease term.

i) Foreign currency transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the exchange rate between the reporting currency and the foreign currency at the date of the transaction to the foreign currency amount.

Conversion

Foreign currency monetary items are converted to reporting currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on settlement, or restatement as at reporting date, of long term foreign currency monetary items, at rates different from those at which they were initially recorded, in so far as it relates to acquisition of depreciable capital asset are added to or deducted from cost of such capital asset and depreciated or amortized over remaining useful life of the asset.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise except those arising from investments in non-integral operations.

Exchange differences arising on monetary items that in substance forms part of the Company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognized in the statement of profit and loss.

j) Taxes on income

Current tax

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit

Airmid Aviation Services Limited
(Formerly Airmid Aviation Services Private Limited)

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

Deferred tax

Deferred tax resulting from timing differences between taxable income and accounting income is accounted for at the current rate of tax or substantively enacted tax rates as at reporting date, to the extent that the timing differences are expected to crystallize.

Deferred tax assets are recognized where realization is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that such deferred tax assets will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date.

k) Provisions, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or,
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

l) Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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

m) Share issue expenses

Share issue expenses are adjusted against securities premium account to the extent of balance available and thereafter, the balance portion is charged off to the statement of profit and loss, as incurred.

Airmid Aviation Services Limited
(Formerly Airmid Aviation Services Private Limited)

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

	As at March 31, 2017		As at March 31, 2016	
Note - 4				
SHARE CAPITAL				
i) Authorised	No. of shares		No. of shares	
Equity shares of face value of ₹ 10 each	10,000,000	100,000,000	10,000,000	100,000,000
ii) Issued, subscribed and fully paid up	No. of shares		No. of shares	
Equity shares of face value of ₹ 10 each				
Balance at the beginning of the year	10,000,000	100,000,000	10,000,000	100,000,000
Addition during the year	-	-	-	-
Total of share capital	10,000,000	100,000,000	10,000,000	100,000,000

iii) The entire equity share capital of the Company is held by holding company - Albasta Wholalase Services Limited and its nominees w.e.f. December 22, 2014. Prior to this entire equity share capital of the Company was held by Indiabulls Real Estate Limited and its nominees.

In accordance with the to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013, the members of the company at their Extraordinary General Meeting held on March 19, 2015, accorded their approval to change the authorized share capital with applicable Rules, and the Articles of Association of the Company, the Authorized share capital of the Company be and is hereby increased from ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each to ₹ 10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹ 10 each. Paid capital of company increased from ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each to ₹ 10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹ 10 each.

The holders of equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In the event of liquidation of the Company, the remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date. All shares rank equally with regards to Company's residual assets.

iv) Share holding in excess of 5% of share capital:

Equity share capital:

- Number of shareholders (including their nominees)	1	1
- Number of shares held	10,000,000	10,000,000

Note - 5

RESERVES AND SURPLUS

(Deficit)/ Surplus as per statement of Profit and loss

Balance as at the beginning of the year	(742,196,357)		(265,379,920)	
Add: (Loss)/profit for the year	(515,736,317)	(1,257,932,674)	(476,816,437)	(742,196,357)
Total of reserves and surplus	(1,257,932,674)		(742,196,357)	

Note - 6A

LONG -TERM BORROWINGS

(Secured loans)

Loans from banks				
For Aircraft	2,730,283,445		2,934,160,293	
Less: Current Maturities of Long Term Debts (refer no 7B)	(38,809,294)	2,691,474,151	(43,931,577)	2,890,228,716

(Unsecured loans)

Loans from related parties	-		452,968,750	
Total of long -term borrowings	2,691,474,151		3,343,197,466	

Repayment terms and security for the outstanding long term borrowings from banks and financial institutions:

- i) In year ended March 31, 2016, the Company has availed term loan of ₹ 1,350,000,000 from IndusInd Bank Limited, secured by exclusive charge on three aircrafts (Bombardier Challenger CL 604-2B16 (CL-604), Airbus EC-135 P2+ and Cessana Citation Bravo 550), exclusive charge on all current assets (present and future) with respect to the aforesaid three aircrafts, receivable from assignment/hypothecation of lease agreements/take or pay/charter agreements in favour of the lender with respect to the aforesaid three aircrafts, escrow of receivable from the lease agreements/take or pay/charter agreements for the aforesaid three aircrafts of the Company & corporate guarantee given by the ultimate holding company M/s Soril Holdings and Ventures Limited (Formerly Indiabulls Wholesale Services Limited). During the year ended March 31, 2017, the company has repaid additional loan of Rs.113,630,000/- to Indusind Bank Limited for release Aircraft Cessana Citation Bravo 550. The outstanding loan is repayable in 85 monthly remaining installments. The outstanding balance as at March 31, 2017 is ₹ 396,093,845 (previous year ₹ 546,175,893).
- ii) During the year ended March 31, 2016, the Company has availed buyer's credit to acquire an aircraft (Bombardier Global 5000) of USD 36,000,000 which is sanction by Yes Bank Limited and disbursed by Punjab National Bank, Dubai, secured by exclusive charge by way of hypothecation on the aircraft being financed, corporate guarantee given by the ultimate holding company M/s Soril Holdings and Ventures Limited (Formerly Indiabulls Wholesale Services Limited), assignment of insurance policy, exclusive charge over receivables arising from the Bombardier Global 5000, under escrow mechanism, exclusive charge by way of assignment over rights, titles, interest etc. and letter of comfort by Indiabulls Real Estate Limited. The buyer's credit is repayable after three years from the end of 3 years from the date of first availment. The outstanding balance as at March 31, 2017 is USD 36,000,000 (INR 2,334,189,600) (previous year 2,387,984,400).

Airmid Aviation Services Limited
(Formerly Airmid Aviation Services Private Limited)
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

As at
March 31, 2017

As at
March 31, 2016

Repayment terms and security for the outstanding long term borrowings

Name of the lender	Loan outstanding	Nature of security	Repayment terms
Indusind Bank Limited	396,093,845	Mortgage and Hypothecation of asset being financed and corporate guarantee given by ultimate holding company	85 remaining monthly installments
	<i>546,175,893</i>		
Punjab National Bank (Buyer's Credit) (Loan of USD 36,000,000 sanctioned by Yes Bank Limited as buyer's credit and disbursed by Punjab National Bank, Dubai)	2,334,189,600	Hypothecation of asset being financed and corporate guarantee given by ultimate holding company	Repayable after 3 years from the end of 3 years from the date of first availment
	<i>2,387,984,400</i>		
Soril Holdings And Ventures Limited (formerly known as Indiabulls Wholesale Services Limited)	-	Unsecured	-
	<i>434,780,000</i>		Repayment after 3 years from date of agreement
Albasta Wholesale Services Limited	-	Unsecured	-
	<i>18,188,750</i>		Repayment after 3 years from date of agreement
Total	2,730,283,445		
	<i>3,387,129,043</i>		

* Figures in italics are in respect of previous year

Note - 6B

SHORT TERM BORROWINGS

(Secured Loans)

Term Loans

- From Banks

(Unsecured Loans)

Loans from related party

Loans from others

	1,026,968,750	-
	1,000,000,000	1,000,000,000
Total of short -term Borrowings	2,026,968,750	1,000,000,000

Repayment terms and security for the outstanding short term borrowings from banks and financial institutions

- i) During the year ended March 31, 2017, the Company has repaid previous loan of Rs.1,000,000,000/- and availed new unsecured loan of Rs.1,000,000,000/- from Reliance Capital Limited. The loan was repayable after 1 year from date of agreement. The outstanding balance as on March 31, 2017 is ₹ 1,000,000,000 (previous year: ₹ 1,000,000,000).

Repayment terms and security for the outstanding short term borrowings

Name of the lender	Loan outstanding	Nature of security	Repayment terms
Albasta Wholesale Services Limited	259,571,750	Unsecured	Repayable on demand
	-		
Soril Holdings And Venture Limited (formerly known as Indiabulls Wholesale Services Limited)	671,897,000	Unsecured	Repayable on demand
	-		
Soril Infra Resources Limited	95,500,000	Unsecured	Repayable on demand
	-		
Reliance Capital Limited	1,000,000,000	Unsecured	Repayable at the end of 1 year from date of agreement
	<i>1,000,000,000</i>		
Total	2,026,968,750		
	<i>1,000,000,000</i>		

* Figures in italics are in respect of previous year

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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

	As at March 31, 2017	As at March 31, 2016
Note - 7A		
OTHER LONG TERM LIABILITIES		
Security deposit from customer	850,000,000	950,000,000
Payable forward premium	730,600,000	-
Total of long -term liabilities	1,580,600,000	950,000,000

Note - 7B		
OTHER CURRENT LIABILITIES		
Current maturities of Bank loan (refer no 6A)	38,809,294	43,931,577
Interest accrued on:		
- ICD From Holding Company	5,501,129	-
-Bank term loan	31,774,063	23,012,050
-Other Loans	3,883,562	94,131,148
Payable to statutory and government authorities	12,584,233	13,294,184
Expenses payable	9,170,793	10,424,380
Total of other current liabilities	101,723,074	184,793,339

Note - 8A		
LONG TERM PROVISIONS		
Provision for employee benefits:		
Gratuity	6,996,114	6,352,573
Compensated absences	3,380,236	3,183,378
Total of long term provisions	10,376,350	9,535,951

Note - 8B		
SHORT TERM PROVISIONS		
Provision for employee benefits:		
Gratuity	134,915	150,237
Compensated absences	73,748	70,824
Total of short term provisions	208,663	221,061

Note - 9
TRADE PAYABLES

A. Payable to micro enterprises and small enterprises
Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"):

Particulars	Amount (`)
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil
iii) 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 this Act;	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil
v) 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.	Nil

The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

B. Other payables	34,881,785	41,057,951
Total of trade payables	34,881,785	41,057,951

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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

Note - 10
FIXED ASSETS

(Amount in `)

Particulars	Tangible assets						Capital work in progress	Total of fixed assets	
	Aircrafts**	Plant and equipments	Office equipments	Computers	Furniture and fixtures	Vehicles			Total of tangible assets
Gross block (at cost)									
As at April 1, 2015	2,598,491,053	3,559,009	1,125,865	955,401	339,957	2,783,070	2,607,254,355	62,590,800	2,669,845,155
Additions during the year	2,773,235,873	-	235,742	207,636	290,497	-	2,773,969,748	-	2,773,969,748
Sale/disposed off during the year	-	-	-	-	-	-	-	(62,590,800)	(62,590,800)
As at March 31, 2016	5,371,726,926	3,559,009	1,361,607	1,163,037	630,454	2,783,070	5,381,224,103	-	5,381,224,103
Additions during the year	87,867,704	-	15,600	105,966	-	-	87,989,270	-	87,989,270
Sale/disposed off during the year	-	-	-	-	-	(1,579,086)	(1,579,086)	-	(1,579,086)
As at March 31, 2017	5,459,594,630	3,559,009	1,377,207	1,269,003	630,454	1,203,984	5,467,634,287	-	5,467,634,287
Accumulated depreciation/amortisation									
As at April 1, 2015	806,264,078	2,486,411	706,866	816,729	148,299	1,639,834	812,062,217	-	812,062,217
Depreciation/amortisation for the year	217,658,271	200,780	184,725	182,892	66,683	451,289	218,744,640	-	218,744,640
Sale/disposed off during the year	-	-	-	-	-	-	-	-	-
As at March 31, 2016	1,023,922,349	2,687,191	891,591	999,621	214,982	2,091,123	1,030,806,857	-	1,030,806,857
Depreciation/amortisation for the year	266,756,462	200,780	161,294	103,580	72,487	72,093	267,366,696	-	267,366,696
Sale/disposed off during the year	-	-	-	-	-	(959,232)	(959,232)	-	(959,232)
As at March 31, 2017	1,290,678,811	2,887,971	1,052,885	1,103,201	287,469	1,203,984	1,297,214,321	-	1,297,214,321
Net block									
As at March 31, 2017	4,168,915,819	671,038	324,322	165,802	342,985	-	4,170,419,966	-	4,170,419,966
As at March 31, 2016	4,347,804,577	871,818	470,016	163,416	415,472	691,947	4,350,417,246	-	4,350,417,246

** For mortgage details on aircrafts, please refer note 6A and note 6B.

**Details of foreign exchange loss/(gain) on translation of long-term foreign currency borrowing capitalized and amortized during the year:

Particulars	Tangible asset- Aircraft
Exchange loss /(gain) capitalized	
As at April 1, 2015	245,970,490
Additions during the year	101,624,400
As at March 31, 2016	347,594,890
Additions during the year	(6,623,101)
As at March 31, 2017	340,971,789
Exchange loss / (gain) amortized	
As at April 1, 2015	37,478,968
Amortized during the year	16,879,426
As at March 31, 2016	54,358,394
Amortized during the year	35,160,275
As at March 31, 2017	89,518,668
Net block of exchange loss/(gain)	
As at March 31, 2017	251,453,121
As at March 31, 2016	293,236,496

Airmid Aviation Services Limited
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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

	As at March 31, 2017	As at March 31, 2016
Note - 11A		
LONG TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Security deposits		
- others	14,175,000	14,889,993
Prepaid expenses	-	123,850
Advance income tax *	1,210,500	-
TDS (Tax Deducted at Source)	129,023,883	118,437,374
Total of Long- term loans and advances	144,409,383	133,451,217
* The Income tax department, during the year, searched some of the premises of the company in pursuance to the action against other persons. In the process, it seized duly accounted cash-in-hand of the company as well. The company is taking all reasonable steps to recoup the cash so seized and has disclosed the same under long term loans and advances.		
Note - 11B		
SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Advance to suppliers	451,893	24,320,500
Prepaid expenses	21,312,994	6,867,247
Input credit and other recoverable of service tax	3,100,993	638,589
Other receivables	1,055,433	2,077,251
Total of short- term loans and advances	25,921,313	33,903,587
Note - 12A		
OTHER NON-CURRENT ASSETS		
Hedged Assets of Foreign Currency	683,428,301	-
Total of other non-current assets	683,428,301	-
Note - 12B		
OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Interest accrued on:		
- fixed deposits with banks	1,683,533	2,195,865
Total of other current assets	1,683,533	2,195,865
Note - 13		
TRADE RECEIVABLES		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	137,326,318	65,685,109
Other debts	27,383,631	174,102,095
Total of trade receivables	164,709,949	239,787,204
Refer note - 6A for charge/mortgage on trade receivables.		
Note - 14		
CASH AND CASH EQUIVALENTS		
Cash and bank balances		
Cash on hand	863	1,293,807
Foreign currency on hand	37,617	-
Balances with banks		
- in current accounts	21,869,521	27,127,969
- in fixed deposit with maturity upto 12 months *	27,987,137	50,600,000
Total of cash and bank balances	49,895,138	79,021,776
* Fixed deposits of ₹ 27,987,137 (previous year ₹ 50,600,000) are under lien with bank against term loan taken from bank.		

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(Formerly Airmid Aviation Services Private Limited)

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

	For the year ended March 31, 2017	For the year ended March 31, 2016
Note - 15		
REVENUE FROM OPERATIONS		
Revenue from Passenger Air Transportation	328,143,539	444,165,508
Revenue from Pilot Hire Income	525,000	-
Other Operating Income		
- Income from advisory services	-	-
- Others	12,425,195	38,514,109
	12,425,195	38,514,109
Total of revenue from operations	341,093,734	482,679,617
Note - 16		
OTHER INCOME		
Interest income on fixed deposits	2,858,404	3,185,164
Dividend income on units of mutual funds	47,186	2,884,543
Interest on inter-corporate deposits - gross	-	210,246
Profit on sale of investments	300,520	-
Unrealised Foreign exchange gain	84,840	-
Interest income on income tax refund	-	7,144,981
Miscellaneous income	10	88,527
	3,290,960	13,513,461
Total of other income	3,290,960	13,513,461
Note - 17		
OPERATING EXPENSES		
Professional charges	15,112,248	19,180,211
Travelling and conveyance expenses	8,034,541	10,285,760
Power and fuel expenses	37,569,298	42,393,557
Aircraft maintenance charges	109,683,173	116,472,662
Crew accommodation charges	6,695,728	8,987,167
Landing and handling charges	35,539,408	35,170,665
Navigation and flight planning charges	9,902,642	7,668,907
Subscription charges	11,120,650	7,347,197
Catering expenses	4,498,813	3,742,159
Hire charges	3,997,078	5,759,400
Training expenses	7,879,357	14,665,905
	250,032,936	271,673,590
Total of operating expenses	250,032,936	271,673,590
Note - 18		
EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	69,915,595	85,546,376
Contribution to provident fund and other funds	71,098	101,844
Staff welfare expenses	5,698,322	8,705,831
	75,685,015	94,354,051
Total of Employee benefit expenses	75,685,015	94,354,051
Note - 19		
FINANCE COSTS		
Bank charges & commission	41,736,262	62,500,000
Foreign exchange loss - realized	-	12,764,918
Interest expenses on:		
- inter corporate deposits	11,741,104	84,613,875
- borrowings from banks and others	198,039,751	211,543,710
- income tax and service tax	243	37,547
- optionally convertible debentures	-	-
	209,781,098	296,195,132
Total of finance costs	251,517,360	371,460,050

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(Formerly Airmid Aviation Services Private Limited)

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

	For the year ended March 31, 2017	For the year ended March 31, 2016
Note - 20		
OTHER EXPENSES		
Auditor's remuneration *	251,250	251,250
Bank Charges	236,672	1,475,641
Books and periodicals	98,942	-
Communication expenses	2,404,755	1,218,725
Foreign exchange losses		
-realized	148,205	89,409
-unrealized	-	19,080
Insurance expenses	8,974,430	7,980,411
Corporate Social Responsibility Expenses	-	2,020,000
Legal and professional charges	160,426	2,000
Power and fuel expenses	100,461	133,711
Printing and stationery	419,058	336,126
Rates and taxes	485,696	782,259
Rent expenses	-	93,167
Loss on sale /written off of fixed assets	393,521	-
Repairs and maintenance		
-vehicles	357,547	438,196
-others	756,724	1,487,416
Sales and marketing expenses	-	26,465
Traveling and conveyance expenses	160,884	195,000
Miscellaneous expenses	570,433	702,841
Total of other expenses	15,519,004	17,251,697

* Including non-deductible taxes

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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

21. Income tax

Current Tax

The company has computed its Current tax expense after considering the normal tax provisions as per Income Tax Act, 1961.

The current tax for the year nil (Previous year includes earlier year tax credit of ₹ 474,513).

Deferred tax

In compliance with Accounting Standard 22 (AS 22) – 'Accounting for taxes on income', as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the Company has recognized deferred tax credit of ₹ nil (previous year: ₹ nil) in the statement of profit and loss during the year ended March 31, 2017.

The breakup of deferred tax assets as at March 31, 2017 into major components is as under:

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred tax asset on account of:		
- Accumulated losses	47,832,516	47,832,516
Deferred tax assets/(liability), net	47,832,516	47,832,516

22. Earnings per equity share

Basic earning per share is computed by dividing the net loss attributable to equity shareholders, for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential diluted equity shares are adjusted for stock split, bonus shares and the potential dilutive effect of Employee Stock Option Plans as appropriate.

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit/ (Loss) available for equity shareholders	(515,736,317)	(476,816,437)
Weighted average number of shares used in computing basic and diluted earnings per share	10,000,000	10,000,000
Face value per equity share	10	10
Basic and diluted earnings per equity share	(51.57)	(47.68)

23. Operating leases

The company has taken office and other premises on operating lease at various locations and lease rent of ₹ nil (Previous year ₹ 93,167) in respect of the same has been charged to statement of profit and loss. The underlying agreements are executed for a year generally ranging from one year to two years, renewable at the option of the Company and the lessor and are cancellable in some cases, by either party by giving a notice generally upto 90 days. There are no restrictions imposed by such leases and there are no subleases.

24. Segmental information

The Company's primary business segment is reflected based on principal business activities carried on by the Company i.e. rendering non-scheduled aircraft passenger services, including helicopter charter services, aircraft management consultancy and all other related and ancillary activities. The Company operates in domestic as well international market. Considering the nature of Company's business and operations and based on the information available with the management no further disclosures are required in respect of reportable segments, under Accounting Standard 17 (AS 17) – "Segment Reporting" as

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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended), other than those already provided in the financial statements.

25. Employee benefits

Gratuity benefits

In accordance with "The Payment of Gratuity Act, 1972", the Company provides for gratuity a defined benefit retirement plan (the "Gratuity Plan") covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment. The amount of payment is based on the respective employee's last drawn salary and the years of employment with the Company. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation and this plan is unfunded. The Company had charged ` 1,510,876 (previous year: ` 2,975,047) during the year ended March 31, 2017 and the amount outstanding as at March 31, 2017 is ` 7,131,029 (previous year: ` 6,502,810).

Compensated absences

Eligible employees are entitled to accumulate compensated absences up to prescribed limits in accordance with the Company's policy and receive cash in lieu thereof. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Such measurement is based on actuarial valuation as at balance sheet date carried out by a qualified actuary. The Company had charged ` 199,782 (previous year: ` 863,280) during the period ended March 31, 2017 and the amount outstanding as at March 31, 2017 is ` 3,453,984 (previous year: ` 3,254,202).

Details of the employee benefits cost recognized during the year are as below:

Particulars	Gratuity benefits		Compensated absences	
	For the year ended		For the year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Service cost	1,352,728	1,503,544	766,164	974,482
Interest cost	503,968	361,383	252,201	185,296
Actuarial (gain)/loss, net	(345,820)	1,110,120	(818,583)	(296,498)
Cost recognized during the year	1,510,876	2,975,047	199,782	863,280

Details of the employee benefits obligation are provided below:

Particulars	Gratuity benefits		Compensated absences	
	For the year ended		For the year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Obligation at the beginning of the year	6,502,810	4,663,007	3,254,202	2,390,922
Cost recognized during the year	1,510,876	2,975,047	199,782	863,280
Benefits Paid	(882,657)	(1,135,244)	-	-
Obligation at the end of the year	7,131,029	6,502,810	3,453,984	3,254,202

The assumptions used to determine cost include:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Discount rate	7.51	7.75
Salary escalation rate	5.00	5.00
Mortality table	IALM (2006-08)	IALM (2006-08)

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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

26. Related party transactions

Disclosures in respect of Accounting Standard (AS) – 18 'Related party disclosures', as specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended:

i) Name and nature of relationship with related parties:

Relationship	Name of the related parties
a) Related parties exercising control	
- Holding Company	Albasta Wholesale Services Limited (from December 23, 2014)
- Ultimate Holding Company	SORIL Holdings and Ventures Limited (Formerly Indiabulls Wholesale Services Limited (from December 23, 2014)
b) Other related parties	
- Fellow Subsidiary Companies*	SORIL Infra Resources Limited (Formerly Store One Retail India Limited)

*With whom the transaction has been made during the year.

ii) Statement of material transaction with related parties:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Inter Corporate Deposits taken/(repaid), net		
Ultimate Holding Company		
- SORIL Holdings and Ventures Limited	237,117,000	434,780,000
Holding Company		
- Albasta Wholesale Services Limited	241,383,000	(4,369,225)
Fellow Subsidiary Company		
- SORIL Infra Resources Limited	95,500,000	-
Revenue from Passanger Air Transportation		
Fellow Subsidiary Company		
- SORIL Infra Resources Limited*	137,238,946	133,030,626
Interest Expense on Inter Corporate Deposits taken		
Holding Company		
- Albasta Wholesale Services Limited	6,112,366	3,841,667
Fellow Subsidiary Company		
- SORIL Infra Resources Limited	5,341,066	-
Interest Income on Inter Corporate Deposits given		
Holding Company		
- Albasta Wholesale Services Limited	-	210,246

iii) Statements of maximum balance outstanding at any time during the year:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Inter Corporate Deposit taken		
Ultimate Holding Company:		
- SORIL Holdings and Ventures Limited	681,280,000	434,780,000
Holding Company:		

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- Albasta Wholesale Services Limited	259,571,750	79,999,750
Fellow Subsidiary Company		
- SORIL Infra Resources Limited		
	95,500,000	-
Inter Corporate Deposit given		
Holding Company:		
- Albasta Wholesale Services Limited	-	65,000,000

iv) Statement of balances outstanding:

Particulars	As at March 31, 2017	As at March 31, 2016
Inter Corporate Deposit taken from:		
Holding Company		
- Albasta Wholesale Services Limited	259,571,750	18,188,750
Ultimate Holding Company		
- SORIL Holdings and Ventures Limited	671,897,000	434,780,000
Fellow Subsidiary Company		
- SORIL Infra Resources Limited	95,500,000	-
Trade receivables		
Fellow Subsidiary Company		
- SORIL Infra Resources Limited	-	25,762,500
Interest payable on inter corporate deposit		
Holding Company		
- Albasta Wholesale Services Limited	5,501,129	-

In accordance with AS 18, disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed. Related party relationships, as given above, are as identified by the Company and have been relied upon by the auditors.

27. Income and Expenditure in Foreign Currency on accrual basis:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Expenses in foreign currency		
Aircraft maintenance	41,225,251	37,061,805
Finance charges	41,016,778	35,614,612
Other operating expenses	48,409,761	70,650,017
Total expenses in foreign currency	130,651,790	143,326,434
Income in foreign currency		
Revenue from Passanger Air Transportation	-	21,320,787

Value of imports calculated on CIF basis:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Spare parts and consumables	993,707	17,848,429
Total value of imports	993,707	17,848,429

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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

28. Contingent liabilities and commitments

As per the best estimate of the management, no provision is required to be made in respect of any present obligation since the company has got a good and strong case in its favour as the exemption claimed from levy of custom duty availed as per the Custom Duty Act.

There are no other commitments to be reported as at March 31, 2017 and March 31, 2016.

29. Corporate social responsibility expenses

(a) Gross amount required to be spent by the company during the year: ₹ nil (previous year: ₹ 2,020,000)

(b) Amount spent during the year on:

S. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
		-	-	-
(ii)	On purposes other than (i) above	-	-	-
		<i>2,020,000</i>	-	<i>2,020,000</i>

* Previous year figures are shown in italics.

30. During the year the Company has entered into derivative contract with Yes Bank for USD 10 million @ 73.06 dated 25th November 2016 expiring on 13th June 2018. The value of hedge and unhedged foreign currency exposure, as of reporting date, is as below:

(a) Hedge portion of foreign currency exposure:

Particulars	As at March 31, 2017		As at March 31, 2016	
	(In USD)	(In ₹)	(In USD)	(In ₹)
Buyers Credit	10,000,000	730,600,000	-	-

(b) Unhedge portion of foreign currency exposure:

Particulars	As at March 31, 2017		As at March 31, 2016	
	(In USD)	(In ₹)	(In USD)	(In ₹)
Trade payables	129,435	8,392,405	292,693	19,415,143
Security deposits given	-	-	15,000	994,993
Capital Advance for Purchase of Aircraft	-	-	-	-
Buyers Credit	26,000,000	1,685,803,600	36,000,000	2,387,984,400
Interest Payable on Buyers Credit	488,400	31,667,172	344,470	22,849,694

Particulars	As at March 31, 2017		As at March 31, 2016	
	(In Euro)	(In ₹)	(In Euro)	(In ₹)
Trade payables	-	-	5,002	375,610

Particulars	As at March 31, 2017		As at March 31, 2016	
	(In GBP)	(In ₹)	(In GBP)	(In ₹)
Trade payables	-	-	5,662	538,343

31. In respect of amounts as mentioned under Section 125 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at March 31, 2017 and March 31, 2016.

32. In the opinion of the Board of Directors, all current assets and long term loans & advances, appearing in the balance sheet as at March 31, 2017, have a value on realization, in the ordinary course of the Company's business, at least equal to the amount at which they are stated in the financial statements. In the opinion of the board of directors, no provision is required to be made against the recoverability of these balances.

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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

33. Previous year figures have been regrouped and/or reclassified wherever necessary to conform to those of the current year grouping and/or classification.
34. Disclosure on Specified Bank Notes (SBNs):
Tabular Disclosure on Specified Bank Notes (SBNs) as required vide MCA notification G.S.R 308 (E) dated March 30, 2017 is as below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	81,000	961	81,961
(+) Permitted receipts	19,000	-	19,000
(-) Permitted payments	-	139,527	139,527
(+) Amount withdrawn from Banks	-	174,000	174,000
(-) Amount deposited in Banks	100,000	-	100,000
Closing cash in hand as on 30.12.2016	-	35,434	35,434

For Agarwal Prakash & Co.
Chartered Accountants
Firm Registration No.: 005975N

For and on behalf of Board of Directors

Vikas Agarwal
Partner

Anil Malhan
Director
DIN: 01542646

Gurbans Singh
Director
DIN: 06667127

Place: New Delhi
Date: May 23, 2017

Namrata Gupta
Company Secretary

Saurbah Garg
Chief Financial Officer