



INDEPENDENT AUDITOR'S REPORT

To

The Members of Punj Lloyd Aviation limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **Punj Lloyd Aviation limited** (hereinafter referred to as "the company") and its associate (together referred to as "the group") which comprising of the consolidated Balance sheet as at 31st March 2019, the consolidated statement of Profit and Loss(including other comprehensive income), the statement of changes in equity and the consolidated statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information(hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed under section 133 of the Act read with the companies(Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, the loss and total comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

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

Other Matter

We did not audit the financial statement of associate of the company, as considered in this consolidated Ind AS financial statements and other related financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as relates to the amounts and disclosures included in respect of this associates and our report in terms of sub section(3) and (11) of the section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the reports of the other auditors.



Our Opinion on the consolidated Ind AS financial statements in so far as it relates to the amount and disclosures included in respect of aforesaid associates and our report in terms of sub-section 3 and 11 of section 143 of the Act in so far as it relates to the aforesaid associate is based solely on the reports of the other auditors and/or such unaudited financial statements/financial information as the case may be furnished to us by the management.

As per the information and explanation given to us by the management, no significant transaction or other events occurred between the reporting date of the aforesaid entities on March 31st, 2019 which require any adjustment. The management is of the opinion that the transactions are not significant and will not have any material impact on the Consolidated Ind AS financial statement.

The status of audited and unaudited financial statement as mentioned above is based on audit reports of other auditor furnished to us by management of the company.

Our 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 report of the other auditors and the financial statements/ financial information certified by the management.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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 consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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



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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

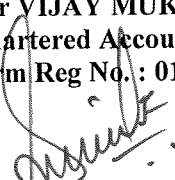
Report on Other Legal and Regulatory Requirements

1. Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 is not applicable on Consolidated Financial Statement as referred in proviso to the para 2 of the order.
2. As required by Section 143(3) of the Act, we report to the extent applicable, that: -
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statement.



- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statement have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of Consolidated Ind AS Financial Statement.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) We are enclosing herewith the report in "Annexure I" for our opinion considering the opinion of other auditors of associates company incorporated in India on adequacy of Internal Financial Control system in place and operating effectiveness of such controls.
- 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:
- The Company has disclosed the impact of pending litigations on the financial position in the Consolidated Ind AS financial statement. Refer Note No.25 to the Consolidated Ind AS financial Statement.
 - The Company & its associates have made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any on long-term contracts including derivative contracts.
 - The holding company and its associate company incorporated in India did not have any dues on account of Investor Education and Protection Fund.

For **VIJAY MUKESH & CO.**
Chartered Accountants
Firm Reg No. : **014554N**


CA SUNIL JAIN
(Partner)
M. No. 094673
UDIN: 19094673AAAAMS3524



Place: **Delhi**
Date: **06/09/2019**

ANNEXURE-I TO THE INDEPENDENT AUDITOR'S REPORT OF PUNJ LLOYD AVIATION LIMITED

The Annexure referred to in our report to the members of Punj Lloyd Aviation limited ('the Company') for the period ended 31st March 2019.

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 Ind As Financial Statement of the Company as of and for the year ended 31st March 2019 we have audited the internal financial controls over financial reporting of Punj Lloyd Aviation Ltd (herein after referred to as "the Company") and its associates company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the company, its associate company 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 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 of the company 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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.

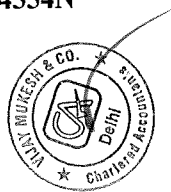
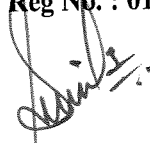
Opinion

In our opinion, the Company its associates company, which are companies incorporated in India 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 31st March 2019, 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 VIJAY MUKESH & CO.

Chartered Accountants

Firm Reg No. : 014554N



CA SUNIL JAIN

(Partner)

M. No. 094673

Place: Delhi

Date: 06/09/2019

UDIN: 19094673AAAAMS3524

Punj Lloyd Aviation Limited
Consolidated Balance Sheet as at March 31, 2019
(All amounts in INR, unless otherwise stated)

	Notes	As at	
		March 31, 2019	March 31, 2018
Assets			
Non-current assets			
Property, plant and equipments	4	1	1
Intangible assets	5	-	-
Financial assets			
Non-current investments	6	350,176,531	294,231,953
Other non-current assets	10	116,879	2,110,004
Current assets			
Financial assets			
Trade receivables	7	-	-
Cash and bank balances	8	108,558	975,589
Other financial assets	9	1,835,469	1,335,469
Current tax assets (Net)		-	-
Other current assets	10	1,317,656	1,046,382
		353,555,094	299,699,398
Equity and liabilities			
Equity			
Equity share capital	11	637,987,100	637,987,100
Other equity		(1,228,151,357)	(1,297,977,398)
Non-current liabilities			
Financial Liabilities			
Borrowings	12	123,679,000	123,679,000
Provisions	13	-	969,678
Current liabilities			
Financial Liabilities			
Borrowings	14	252,843,641	240,268,041
Trade payables	15	18,538,990	41,105,531
Other financial liabilities	15	545,707,878	545,707,878
Other current liabilities	16	2,949,842	7,959,569
Provisions	13	-	-
		353,555,094	299,699,398

Summary of significant accounting policies

1 & 2

The accompanying notes from an integral part of the financial statements
This is the standalone balance sheet referred to in our report of even date

For **Vijay Mukesh & Co.**
Chartered Accountants
Firm Registration No.: 014554N

CA Sunil Jain
Partner

Membership No. : 094673
UDIN: 19094673AAAAMS3524



For and on behalf of the Board of Directors of
Punj Lloyd Aviation Limited

Atul Punj
Chairman
DIN - 00005612

Place: Delhi

Date: 05 SEP 2019

Punj Lloyd Aviation Limited**Consolidated Statement of Profit and Loss for the year ended March 31, 2019**

(All amounts in INR, unless otherwise stated)

	Notes	Year ended	
		March 31, 2019	March 31, 2018
Income			
Revenue from operations	17	-	-
Other income	18	18,338,534	2,597,260
Total income		18,338,534	2,597,260
Expenses			
Employee benefits expense	19	25,323	31,760
Other expenses	20	3,862,957	45,000,820
Total expenses		3,888,280	45,032,580
Earning before interest, tax, depreciation and amortization (EBITDA)		14,450,254	(42,435,320)
Depreciation and amortization expense		-	123,519,870
Finance costs	21	3,864	23,344,924
Loss before tax		14,446,391	(189,300,114)
Share of profit/(loss) of associates		55,944,578	(99,183,477)
Tax expenses		-	-
Loss for the year		70,390,969	(288,483,591)
Other comprehensive income			
OCI not to be reclassified to profit or loss in subsequent years			
- Re-measurement gains/(losses) on defined benefit plans		(564,928)	1,227,838
- Net fair value gain/(loss) on FVTOCI on equity investments		-	-
Other comprehensive income for the year, net of tax		(564,928)	1,227,838
Total comprehensive income		69,826,041	(287,255,753)
Earning per equity share (in Rs.)			
- Basic	22	1.10	(4.52)
- Diluted		1.10	(4.52)

Summary of significant accounting policies

1 & 2

The accompanying notes from an integral part of the financial statements

This is the standalone statement of profit & loss referred to in our report of even date

For **Vijay Mukesh & Co.**
Chartered Accountants
Firm Registration No.: 014554N

CA **Sunil Jain**
Partner

Membership No. : 094673

UDIN: 19094673AAAAMS3524



For and on behalf of the Board of Directors of
Punj Lloyd Aviation Limited

Atul Punj
Chairman

DIN - 00005612

Place: Delhi

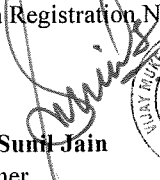
Date: 03 SEP 2019

Punj Lloyd Aviation Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2019
(All amounts in INR, unless otherwise stated)

	Year ended	
	March 31, 2019	March 31, 2018
Cash flow from/ (used in) operating activities		
(Loss) / profit before tax	14,446,391	(189,300,114)
Adjustments for:		
Depreciation and amortization	-	123,519,870
Unspent liabilities written back	18,338,534	-
Finance costs	-	23,339,842
Interest income	-	-
Operating profit before changes in operating assets and liabilities	32,784,925	(42,440,402)
Movement in working capital:		
- changes in trade payables	(22,566,541)	137,206
- changes in provisions	(1,534,606)	(2,197,015)
- changes in other financial liabilities	(18,338,534)	37,329,811
- changes in other liabilities	(5,009,727)	(443,552)
- changes in trade receivables	-	3,549,128
- changes in other assets	1,721,852	3,040,297
- changes in other financial assets	(500,000)	2,044,531
Cash generated from/ operations	(13,442,631)	1,020,004
Net cash flow from/ operating activities (A)	(13,442,631)	1,020,004
Cash flow used in investing activities		
Interest received	-	-
Net cash flow investing activities (B)	-	-
Cash flow (used in)/ from financing activities		
Borrowings from related parties	12,575,600	23,165,000
Interest paid	-	(23,339,842)
Net cash flow /from financing activities (C)	12,575,600	(174,842)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(867,031)	845,162
Cash and cash equivalents at the beginning of the year	975,589	130,427
Cash and cash equivalents at the end of the year	108,558	975,589
Components of cash and cash equivalents		
Cash on hand	-	72
Balances with banks:		
On current accounts	108,558	975,517
Total cash and cash equivalents (also refer note 8)	108,558	975,589

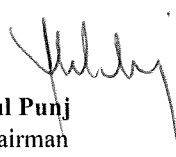
The accompanying notes from an integral part of the financial statements
This is the standalone statement of cash flows referred to in our report of even date

For **Vijay Mukesh & Co.**
Chartered Accountants
Firm Registration No.: 014554N


CA Sunil Jain
Partner
Membership No. : 094673
UDIN: 19094673 AAAAMS3524



For and on behalf of the Board of Directors of
Punj Lloyd Aviation Limited


Atul Punj
Chairman
DIN - 00005612

Place: Delhi
Date:

03 SEP 2019

Punj Lloyd Aviation Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2019
 (All amounts in INR, unless other stated)

	Equity share capital (A)	Other equity			Total other equity (B)	Total (A+B)
		Reserves and Surplus		Other comprehensive income (OCI)		
		Retained earnings	FVT OCI reserve	Other items of OCI		
As at April 01, 2017	637,987,100	(1,010,721,645)	-	-	(1,010,721,645)	(372,734,545)
Profit/(Loss) for the year	-	(288,483,591)	-	-	(288,483,591)	(288,483,591)
Change in fair value of investments	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/ asset	-	-	-	1,227,838	1,227,838	1,227,838
OCI reclassified to retained earnings	-	1,227,838	-	(1,227,838)	-	-
As at March 31, 2018	637,987,100	(1,297,977,398)	-	-	(1,297,977,398)	(659,990,298)
Profit/(Loss) for the year	-	70,390,969	-	-	70,390,969	70,390,969
Change in fair value of investments	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/ asset	-	(564,928)	-	-	(564,928)	(564,928)
OCI reclassified to retained earnings	-	-	-	-	-	-
As at March 31, 2019	637,987,100	(1,228,151,357)	-	-	(1,228,151,357)	(590,164,257)

The accompanying notes from an integral part of the financial statements
 This is the standalone statement changes in equity referred to in our report of even date

For **Vijay Mukesh & Co.**
 Chartered Accountants
 Firm Registration No.: 014554N



CA Sunil Jain
 Partner
 Membership No.: 094673
 UDIN: 19094673AAAAA3524

For and on behalf of the Board of Directors of
Punj Lloyd Aviation Limited

Atul Punj
 Chairman
 DIN - 00005612

Place: Delhi
 Date: 05 SEP 2019

Punj Lloyd Aviation Limited

Notes to consolidated financial statements for the year ended March 31, 2019

(All Amounts in INR, unless otherwise stated)

1. Corporate information

The financial statements comprise financial statement of Punj Lloyd Aviation Limited (the Company) and its associate (collectively, the Group) for the year ended March 31, 2019. The Company is a public limited company domiciled in India and incorporated under the provision of the Companies Act applicable in India. The Company is engaged in the business of Airlines and Helicopter Operators for transporting passengers, mail, cargo, freight to Indian and International tourists and also to provide charter services to Indian and international companies and to provide consultancy in the area of aircraft / helicopter procurement.

Pursuant to an order dated March 08, 2019 of the National Company Law Tribunal (NCLT), Principal Bench, New Delhi, India, Corporate Insolvency Resolution Process (CIRP) has been initiated for Punj Lloyd Limited (The Holding Company) as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC). An Interim Resolution Professional (IRP) and thereafter Resolution Professional (RP) have been appointed for carrying out the CIRP of Punj Lloyd Limited. Upon initiation of CIRP, the powers of the Board of Directors of Punj Lloyd Limited have been suspended and shall be exercised by the IRP/ RP.

2. Summary of significant accounting policies

The 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. The financial statements have been prepared under the historical cost convention on an accrual basis, except for certain financial assets and liabilities which were measured at fair value.

a) Principles of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and its associate. In the preparation of these Consolidated Financial Statements, investment in Associate company has been accounted for in accordance with Ind AS 110 (Consolidated Financial Statements) and Ind AS 28 (Investments in Associates and Joint Ventures) issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statements are prepared on the following basis-

- i. Investments in Associates are accounted for using the equity method. The excess of cost of investment over the proportionate share in equity of the Associate as at the date of acquisition of stake is identified as Goodwill and included in the carrying value of the Investment in the Associate. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the Associate. However, the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such Associates are not accounted for unless the accumulated losses (not accounted for by the Group) are recouped. Where the associate prepares and presents consolidated financial statements, such consolidated financial statements of the associate are used for the purpose of equity accounting. In other cases, standalone financial statements of associates are used for the purpose of consolidation.
- ii. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements. Differences in accounting policies are disclosed separately.
- iii. The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company.



Punj Lloyd Aviation Limited

Notes to consolidated financial statements for the year ended March 31, 2019

(All Amounts in INR, unless otherwise stated)

b) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring an adjustment to the carrying amounts of assets or liabilities in future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value measurements and valuation process

Some of the Companies assets and liabilities are measured at fair value for financial reporting purposes. The management of the Company has determined the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available, wherever market observable data is not available, the Company engages third party qualified value's to perform the valuation.

c) Property, plant and equipment (PPE)

Plant and equipments are stated at cost less accumulated depreciation and impairment losses, if any. The cost comprises the purchase price, 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. The Company considered the previous GAAP carrying cost of plant and equipments as deemed cost, as the fair value of these assets does not differ materially from its carrying cost.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the PPE and are recognized in the statement of profit and loss when the PPE is derecognized.

d) Depreciation

i) Depreciation on the PPE is calculated on straight line method, at the rates prescribed under Schedule II to the Companies Act, 2013, which are based on the estimated useful life of the assets except in the case of aircraft.



Punj Lloyd Aviation Limited

Notes to consolidated financial statements for the year ended March 31, 2019

(All Amounts in INR, unless otherwise stated)

In case of aircraft, life of the assets is considered on the basis of certificate of chartered engineer which is 15 years whereas in schedule II of the companies act, 2013 is as 20 years.

ii) Individual assets costing up to Rs 5,000 are depreciated @100%.

e) Financial Instruments

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

A. Financial Assets

Initial Reorganization

All the financial asset is recognized initially at fair value plus, transaction cost that are attributable to the acquisition of the financial assets except investment in Air Works India Engineering Limited, which is considered on historical cost model Purchases or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date, i.e., the date that the company commits to purchase or sell the assets.

Subsequent measurement

All equity investments are measured at fair value. For the purpose of subsequent measurement, Equity Investments are measured at fair value through other comprehensive income (FVTOCI) category.

Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS 103 applies are classified as at fair value through profit and loss.

Derecognition

All financial asset is primarily derecognized when right to receive cash flows from the asset have expired or the company has transferred its rights to receive cash flow from the asset or the company has transferred control of the asset.

Impairment

The company applies Ind AS 109 for recognizing impairment losses using Expected Credit Loss (ECL) model. Impairment is recognized for all financial assets subsequent to initial recognition, other than financial assets in FVTPL category. The impairment losses and reversals are recognized in statement of profit and loss.

B. Financial liabilities

Financial liabilities are classified at initial reorganization at fair value. Interest bearing loans are subsequently measured at amortized cost using the EIR method, gain and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance cost in the statement of profit and loss. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

C. Offsetting instruments

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



Punj Lloyd Aviation Limited

Notes to consolidated financial statements for the year ended March 31, 2019

(All Amounts in INR, unless otherwise stated)

f) Impairment of non-financial assets

The Company 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 Company 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. The 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 groups of assets. Where 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 available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

h) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- i) Revenue from charter and other miscellaneous services like rendering of Pilot support services is accounted after rendering of service to customers in accordance with the terms of agreement with customers.
- ii) For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, 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 assets or to the amortized cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument, but does not consider the expected credit losses. Interest income is included in other income in the statement of Profit and Loss.



Punj Lloyd Aviation Limited

Notes to consolidated financial statements for the year ended March 31, 2019

(All Amounts in INR, unless otherwise stated)

i) Foreign currency transactions and balances

Initial Recognition

The financial statements are presented in Indian Rupee, which is also the functional currency of the Company.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are carried at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise, except those arising from investments in non-integral foreign operations.

j) Employee benefits

i) The Company makes contribution to statutory provident fund and pension funds in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan. The Company has no obligation, other than the contribution payable to respective funds. The Company recognizes contribution payable to respective funds as expenditure, 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.

Gratuity liability is a defined benefit obligation. The scheme is non-funded by the Company. The amount paid/payable in respect of present value of liability for past services is charged to the statement of profit and loss on the basis of actuarial valuation on the projected unit credit method at the end of each financial year. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with corresponding debit or credit to retained earnings through OCI in the period in which they occur.

ii) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company 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 Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with corresponding debit or credit to retained earnings through OCI in the period in which they occur. The Company 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.



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Notes to consolidated financial statements for the year ended March 31, 2019

(All Amounts in INR, unless otherwise stated)

k) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in Shareholders' funds is recognized in Shareholders' funds and not in the statement of profit and loss

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

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

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of deferred tax assets to be utilized.

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

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 tax assets and deferred taxes relate to the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company 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 Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative 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 Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

l) Segment reporting policies

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products 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 areas in which major operating divisions of the Company operate.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.



Punj Lloyd Aviation Limited

Notes to consolidated financial statements for the year ended March 31, 2019

(All Amounts in INR, unless otherwise stated)

Segment accounting policies

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

m) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events of bonus issue and share split.

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

n) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

o) Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of the minimum lease payments. Lease payments are apportioned between the 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 as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule II to the Companies Act, 2013 whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term; the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule II to the Companies Act, 2013.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.



Punj Lloyd Aviation Limited

Notes to consolidated financial statements for the year ended March 31, 2019

(All Amounts in INR, unless otherwise stated)

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating lease. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs etc. are recognized immediately in the statement of profit and loss.

p) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

q) Contingent Liability

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 Company 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. A disclosure is made for a contingent liability when there is a:

- i) possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company;
- ii) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- iii) present obligation, where a reliable estimate cannot be made.

r) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule III to the Companies Act 2013, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expenses, finance costs and tax expense.

3. A. Significant accounting judgements, estimates and assumptions:

The preparation of financial statements requires the management to make judgments, 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 period.



Punj Lloyd Aviation Limited

Notes to consolidated financial statements for the year ended March 31, 2019

(All Amounts in INR, unless otherwise stated)

Critical estimates and judgements

In applying the accounting policies, following are the items/ areas that involved a higher degree of judgement or complexity and which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Fair valuation of unlisted securities:

The fair value of financial instruments that are not traded in an active market is determined using internationally accepted valuation principles. The inputs to these valuations are taken from observable markets wherever possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as discount rates, liquidity risk, credit risk, earning growth factors and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of financial assets:

The Company basis the impairment provisions for financial assets on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculations, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non-financial assets:

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is sensitive to inputs like discount rate, expected future cash-inflows and growth rate used for extrapolation purposes.

Defined benefit plan (employee benefits):

The cost of defined benefit gratuity plan and other employee benefits and the present value of the defined benefit obligations 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 increase 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.

Taxes:

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

The Company does not have any tax planning opportunities available that could support the recognition of unused tax losses and unabsorbed depreciation as deferred tax assets. On this basis, the Company has accounted for deferred tax assets on temporary differences, including unabsorbed depreciation and business losses, to the extent of deferred tax liability recognized as at the balance sheet date, for which it is reasonably certain that future taxable income would be generated by reversal of such deferred tax liability.



Punj Lloyd Aviation Limited

Notes to Consolidated financial statements for the year ended March 31, 2019

(All amounts in INR, unless otherwise stated)

4 Property, Plant and Equipments

Particulars	Plant and Machinery	Office equipments	Others (Computer)	Total
Gross Block				
At April 1, 2017	803,397,911	119,425	115,456	803,632,792
Additions	-	-	-	-
Disposals	-	(119,425)	(115,456)	(234,881)
At March 31, 2018	803,397,911	-	-	803,397,911
Additions	-	-	-	-
Disposals	-	-	-	-
At March 31, 2019	803,397,911	-	-	803,397,911
Depreciation Reserve				
At April 1, 2017	679,878,040	119,425	115,456	680,112,921
Charge for the year	123,519,870	-	-	123,519,870
Disposal during the year	-	(119,425)	(115,456)	(234,881)
At March 31, 2018	803,397,910	-	-	803,397,910
Charge for the year	-	-	-	-
Disposal during the year	-	-	-	-
At March 31, 2019	803,397,910	-	-	803,397,910
Net block				
At March 31, 2018	1	-	-	1
At March 31, 2019	1	-	-	1

5 Intangible assets

Particulars	Computer softwares	Total
Gross Block		
At April 1, 2017	33,352	33,352
Additions during the year	-	-
Disposals during the year	(33,352)	(33,352)
At March 31, 2018	-	-
Additions during the year	-	-
Disposals during the year	-	-
At March 31, 2019	-	-
Amortization		
At April 1, 2017	33,352	33,352
Charge for the year	-	-
Disposals during the year	(33,352)	(33,352)
At March 31, 2018	-	-
Charge for the year	-	-
Disposals during the year	-	-
At March 31, 2019	-	-
Net block		
At March 31, 2018	-	-
At March 31, 2019	-	-



Punjab Lloyd Aviation Limited

Notes to Consolidated financial statements for the year ended March 31, 2019

(All amounts in INR, unless otherwise stated)

6 Non-current investments

Particulars	March 31, 2019	March 31, 2018
Non-trade investments (Fair valued through other comprehensive income)		
<i>Unquoted equity instruments</i>		
Investment in associate company		
Air Works India Engineering Limited	529,987,500	529,987,500
17,516,100 shares (previous year : 17,516,100) of Re. 1 each)		
Less : share of loss accounted upto last year	(235,755,547)	(136,572,070)
Add : share of Profit/(loss) for current year	55,944,578	(99,183,477)
	350,176,531	294,231,953

7 Trade receivables

Particulars	March 31, 2019	March 31, 2018
Unsecured, considered good	-	-
Less: Expected credit loss	-	-
	-	-

8 Cash and bank balances

Particulars	March 31, 2019	March 31, 2018
Cash and cash equivalents		
Cash on hand	-	72
Balances with banks:		
On current accounts	108,558	975,517
	108,558	975,589
	108,558	975,589

9 Other financial assets

Particulars	March 31, 2019	March 31, 2018
Unsecured security deposit, considered good	1,835,469	1,335,469
Advance recoverable	-	6,937,078
Provision for expected credit loss	-	(6,937,078)
	1,835,469	1,335,469

10 Other assets

Particulars	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Advance recoverable in kind				
Unsecured, considered good	-	-	633,656	763,516
	-	-	633,656	763,516
Other loans and advances				
GST/Cenvat recoverable	116,879	2,110,004	-	-
Prepaid expenses	-	-	684,000	282,866
	116,879	2,110,004	684,000	282,866
	116,879	2,110,004	1,317,656	1,046,382



Punj Lloyd Aviation Limited

Notes to Consolidated financial statements for the year ended March 31, 2019

(All amounts in INR, unless otherwise stated)

11 Share capital

Particulars	March 31, 2019	March 31, 2018
Authorised shares		
65,000,000 (previous year: 65,000,000) equity shares of Rs. 10 each	650,000,000	650,000,000
Issued, subscribed and fully paid-up shares		
63,798,710 (previous year: 63,798,710) equity shares of Rs. 10 each	637,987,100	637,987,100
	637,987,100	637,987,100

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	March 31, 2019		March 31, 2018	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	63,798,710	637,987,100	63,798,710	637,987,100
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	63,798,710	637,987,100	63,798,710	637,987,100

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

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

(c) Shares held by holding company and their subsidiaries

Out of equity shares issued by the Company, shares held by its holding company and their subsidiary are as below:

	March 31, 2019	March 31, 2018
Punj Lloyd Limited, the holding company	539,987,100	539,987,100
53,998,710 (previous year: 53,998,710) equity shares of Rs. 10 each fully paid		
Punj Lloyd Industries Limited, fellow subsidiary	98,000,000	98,000,000
9,800,000 (previous year: 9,800,000) equity shares of Rs. 10 each fully paid		

(d) Details of shareholders holding more than 5% of the equity shares in the Company :

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	Nos.	% of Holding	Nos.	% of Holding
Punj Lloyd Limited	53,998,710	84.64%	53,998,710	84.64%
Punj Lloyd Industries Limited	9,800,000	15.36%	9,800,000	15.36%

(e) No bonus shares or shares issued for consideration other than cash or shares bought back over the last five years immediately preceding the reporting date.

12 Long-term borrowings

Particulars	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Term loans				
Unsecured				
Loans and advances from related parties (carrying rate of interest of 14% p.a repayable within 10 years from the disbursement of loan)	123,679,000	123,679,000	-	-
	123,679,000	123,679,000	-	-



Punj Lloyd Aviation Limited

Notes to Consolidated financial statements for the year ended March 31, 2019

(All amounts in INR, unless otherwise stated)

13 Provisions

Particulars	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits				
Provision for gratuity (note 23)	-	969,678	-	-
Provision for compensated absences	-	-	-	-
	-	<u>969,678</u>	-	-
	-	<u>969,678</u>	-	-

14 Short-term borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Loans from related parties		
Interest free loan from holding company, repayable on demand	150,688,041	150,688,041
12% loan from related parties, repayable on demand	102,155,600	89,580,000
	<u>252,843,641</u>	<u>240,268,041</u>

15 Trade and other payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables (including acceptances)	18,538,990	41,105,531
Other liabilities		
Due to related party	545,707,878	545,707,878
	<u>564,246,868</u>	<u>586,813,409</u>

16 Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Advance received from customer	2,700,879	2,700,880
Tax deducted at source payable	171,572	5,105,125
Goods and service tax payable	77,391	153,564
	<u>2,949,842</u>	<u>7,959,569</u>
	<u>2,949,842</u>	<u>7,959,569</u>



Punj Lloyd Aviation Limited

Notes to Consolidated financial statements for the year ended March 31, 2019

(All amounts in INR, unless otherwise stated)

17 Revenue from operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Charter Income	-	-
	-	-

18 Other income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income on others	-	-
Others non-operating income	18,338,534	2,597,260
	18,338,534	2,597,260

19 Employee benefit expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	25,323	31,760
	25,323	31,760

20 Other expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	-	336,000
Operational expenses	(1,498,689)	1,775,471
Travelling and conveyance	12,005	454,557
Rates and taxes	164,974	953,834
Insurance	816,784	863,015
Power and fuel	191,002	29,377
Training expenses	76,974	2,631,883
Repairs and maintenance:		
- Plant and machinery	3,592,014	8,844,257
Payment to auditors (refer details below)	90,000	90,000
Consultancy and professional charges	399,290	5,914,730
Miscellaneous expenses	18,602	127,270
Irrecoverable balances written off	-	22,980,426
	3,862,957	45,000,820

Payment to auditors:

As auditor:

- Audit fees

90,000

90,000

90,000

90,000

21 Finance costs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest expense	-	23,339,842
Bank charges	3,864	5,082
	3,864	23,344,924

22 Earnings per share

	Year ended March 31, 2019	Year ended March 31, 2018
a) Calculation of weighted average number of equity shares of Rs. 10 each		
Number of equity shares at the beginning of the year	63,798,710	63,798,710
Equity shares at the end of the year	63,798,710	63,798,710
Weighted average number of equity shares outstanding during the year	63,798,710	63,798,710
b) Net (loss)/ profit after tax available for equity share holders (Rs.)	70,390,969	(288,483,591)
c) Basic and diluted earnings per share	1.10	(4.52)
d) Nominal value of share (Rs.)	10	10



Punj Lloyd Aviation Limited

Notes to consolidated financial statements for the year ended March 31, 2019

(All Amounts in INR, unless otherwise stated)

23. Post-employment benefit plans

The Company has a defined benefit gratuity plan. Under the plan, every employee who has completed at years of service gets a gratuity on departure at 15 days of last basic drawn salary for each completed year of service.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss amounts recognized in the balance sheet for the plan.

Statement of profit and loss**Net employee benefit expense recognised in the employee cost**

Particulars	March 31, 2019	March 31, 2018
Current service cost	-	-
Interest cost on benefit obligation	-	-
Expected return on plan assets	-	-
Net actuarial (gain)/loss	-	(12,27,838)
Net benefit expenses	-	(1,227,838)

Balance sheet**Benefit asset/liability**

Particulars	March 31, 2019	March 31, 2018
Present value of defined benefit obligation	-	969,678
Fair value of plan assets	-	-
Less : Unrecognized past service cost	-	-
Net defined benefit obligation	-	969,678

Changes in the present value of the defined benefit obligation are as follows:

Particulars	March 31, 2019	March 31, 2018
Opening defined benefit obligation	969,678	2,457,571
Interest cost	-	-
Current service cost	-	-
Benefits paid	(969,678)	(260,055)
Actuarial (gain)/losses on obligation	-	(1,227,838)
Closing defined benefit obligation	-	969,678

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

Particulars	March 31, 2019	March 31, 2018
Discount rate	-	-
Future salary increase	-	-
Employee turnover up to 30 years	-	-
Above 30 years but up to 44 years	-	-
Above 44 years	-	-

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



Punj Lloyd Aviation Limited

Notes to consolidated financial statements for the year ended March 31, 2019

(All Amounts in INR, unless otherwise stated)

Amounts for the current period are as follows:

Particulars	March 31, 2019	March 31, 2018
Defined benefit obligation	969,678	969,678
Plan assets	-	-
Surplus/(deficit)	(969,678)	(969,678)
Experience adjustments on plan liabilities - (loss)/gain	-	1,227,838
Experience adjustments on plan assets - (loss)/gain	-	-

Further company has not made actuarial valuation as at March 31, 2019 in terms of Ind AS-19 issued by ICAI and provisions against employee benefits has been made on estimated basis according to the Payment of Gratuity Act, 1972.

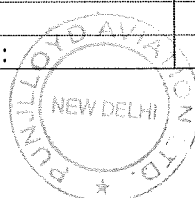
24 In accordance with the required Indian Accounting Standard (Ind AS-24) on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

List of related parties

- a. Holding Company:
1. Punj Lloyd Ltd - Holding Company
 2. Punj Lloyd Industries Ltd, Fellow Subsidiary
- b. Related parties with whom transactions have taken place during the year.
1. Punj Lloyd Ltd - Holding Company
 2. Punj Lloyd Industries Ltd, Fellow Subsidiary
 3. Air Works India Engineering Ltd, Associate Company
 4. Punj Lloyd Infrastructure Ltd, Fellow Subsidiary
 5. Punj Lloyd Pte Ltd, Fellow Subsidiary
 6. PLN Construction Ltd., Fellow Subsidiary
 7. Spectra Punj Lloyd Ltd, Fellow Subsidiary
- c. Key managerial personnel
1. Atul Punj - Chairman
 2. Uday Walia – Director (upto 08 March 2019)
 3. Shravan Sampath – Director (upto 08 March 2019)
 4. Dinesh Kumar - Company Secretary (upto 11 April 2019)
 5. Surender Kumar - CFO (upto 22 May 2019)
 6. Kunal Aggarwal (w.e.f. 11 April 2019)
 7. Joginder Singh (w.e.f. 11 April 2019)

d. Transaction with related parties

	March 31, 2019	March 31, 2018
Sales and purchase of goods and services		
<i>With Holding Company:</i>		
Interest expenses	-	14,841,480
<i>With Fellow Subsidiary Companies:</i>		
Interest expenses	-	8,498,362
<i>With Associate:</i>		
Repair & Maintenance	30,09,056	4,936,248
Other transactions		
<i>With Fellow Subsidiary Companies:</i>		
Loan received during the year	1,25,75,600	23,165,000
<i>With Associate:</i>		
Share of profit/(loss) accounted on equity accounting basis:	55,944,478	(99,183,477)



Punj Lloyd Aviation Limited

Notes to consolidated financial statements for the year ended March 31, 2019

(All Amounts in INR, unless otherwise stated)

e. Outstanding balances

	March 31, 2019	March 31, 2018
<i> Holding Company </i>		
Loan Payable	274,367,041	274,367,041
Trade Payable	530,249,077	530,249,077
<i> Fellow Subsidiary Companies </i>		
Loan Payable	10,21,55,600	89,580,000
Trade Payable	15,458,801	15,458,801
Trade Receivable	₹	-
<i> Associate </i>		
Investment (including share of loss accounted on equity accounting basis)	350,776,531	294,231,953
Trade payable	1,07,18,585	11,047,932

f. Commitments by related parties on our behalf

	March 31, 2019	March 31, 2018
<i> Holding Company </i>		
Bank guarantee	-	179,000,000

g. Terms and conditions of transactions with related parties

All related party transactions are in ordinary course of business and on arm's length basis. All outstanding balances are unsecured and repayable in cash.

25. Contingent Liability

	March 31, 2019	March 31, 2018
Interest on loan (Contingent on profitability of the Company as such cannot be quantified)	172,891,434	155,576,374
Custom Duty (against import of aircraft)	178,923,346	178,923,346

26. Capital Commitments

There are no contracts remaining to be executed on capital account and not provided for in the accounts, as at the end of the reporting period.

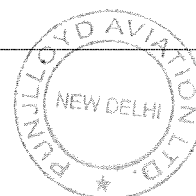
27. Segment information

The Company is engaged in the business of providing Chartering of Aircraft, which is a single business segment, and accordingly, additional disclosure requirements of Ind AS 108- "Segment Reporting" are not applicable. Also The Company's operations are based in India only hence there are no geographical segments.

Revenue from one customer amounted to Rs. Nil (previous year: Rs. NIL), arising from chartering of aircraft.

28. Interest in other entities

Name of entity	Country of operation	Nature of operation	Relationship	Ownership interest as at	
				March 31, 2019	March 31, 2018
Air Works India (Engineering) Pvt Ltd	India	Aviation related Maintenance, Repair and Overhaul services	Associate	23.24 % of outstanding equity capital	



Punj Lloyd Aviation Limited

Notes to consolidated financial statements for the year ended March 31, 2019

(All Amounts in INR, unless otherwise stated)

29. Financial instruments**(a) Financial instruments by category**

Particulars	March 31, 2019		March 31, 2018	
	FVTOCI	Amortized cost	FVTOCI	Amortized cost
Financial assets				
Non-current investments	350,776,531	-	294,231,953	-
Trade receivables	-	-	-	-
Cash and cash equivalents	-	1,08,558	-	975,589
Other financial assets	-	1,835,469	-	1,335,469
	350,776,531	19,44,027	294,231,953	2,311,058
Financial liabilities				
Borrowings	-	37,65,22,641	-	363,947,041
Trade payables	-	1,69,26,855	-	41,105,531
Other financial liabilities	-	545,707,878	-	545,707,878
	-	939,157,374	-	950,760,450

(b) Fair value hierarchy

Financial instruments are classified into three levels in order to provide an indication about the reliability of the inputs used in determining the fair values.

The categories used are as follows:

Level 1: Where fair value is based on quoted prices from active market.

Level 2: Where fair value is based on significant direct or indirect observable market inputs.

Level 3: Where fair value is based on one or more significant input that is not based on observable market data.

	Level 3	Total
As at March 31, 2019		
Non-current investments		
- Unquoted	350,776,531	350,776,531
Total	350,776,531	350,776,531
As at March 31, 2018		
Non-current investments		
- Unquoted	294,231,953	294,231,953
Total	294,231,953	294,231,953

There are no transfers between any levels during the year.

(c) Fair value of financial instruments measured at amortized cost

The carrying amounts of the financial instruments measured at amortized cost, disclosed in note (a) above, approximates to their fair values. Accordingly, the fair values of such instruments have not been disclosed separately.

(d) Valuation techniques and processes used to determine fair value

Fair value of quoted investments is based on the quotation as at the reporting date. For unquoted investments, fair value is determined based on the present values, calculated using internationally accepted valuation principles, by management.



Punj Lloyd Aviation Limited

Notes to consolidated financial statements for the year ended March 31, 2019

(All Amounts in INR, unless otherwise stated)

(e) Valuation inputs and relationships to fair value

Significant unobservable inputs used in Level 3 fair value measurement.

Non-current investments – Unquoted

As at	Fair value	Significant unobservable inputs*
March 31, 2019	350,776,531	Fair value accounted on equity method based on financial statements of the investee
March 31, 2018	294,231,953	

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

(f) Reconciliation of financial instruments categorized under Level 3

	2018-19	2017-18
Opening	294,231,953	393,415,430
Share of profit/(loss) of associates for the year (As on 31/3/2018)	55,944,578	(99,183,477)
Closing	350,776,531	294,231,953

30. Financial risk management objectives and policies

Exposure to credit, interest rate, foreign currency risk and liquidity risk arises in the normal course of the Company's business. The Company has risk management policies which set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control the hedging of transactions in a timely and accurate manner. Such policies are reviewed by the management with sufficient regularity to ensure that the Company's policy guidelines are adhered to.

The management reviews and agrees policies for managing each of these risks, which are summarized below.

A. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under financial instrument or customer contract, leading to financial loss. The company is exposed to credit risk mainly from its operating activities i.e. trade receivable.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and other receivables (including related party balances), the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Trade receivable: Customer credit risk is managed with the Company's established policy, procedures and control relating to customer credit risk management, such as the outstanding from customer receivables is regularly monitored. As at March 31, 2019 the Company has Nil numbers of customers having outstanding of Rs. 1 crore or more. The Company does not hold collateral as security against these receivables, however it evaluates the concentration of risk with respect to trade receivables as low, as the customers operate in largely independent market.

Other financial assets: Cash and bank balances are managed by the Company's treasury department. Concentration risk is constantly monitored to mitigate financial loss.



Punj Lloyd Aviation Limited

Notes to consolidated financial statements for the year ended March 31, 2019

(All Amounts in INR, unless otherwise stated)

B. Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements, both immediate and long-term. The finance needs are monitored and managed by the Company's management in consultation with operational team

Other financial liabilities, like trade and other payables, matures predominantly within one year.

C. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in the market price. The only financial instruments affected by market risk are bank borrowings and foreign currency exposures.

C.1 Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in the market interest rate. As on March 31, 2019 the Company does not have any borrowings at floating interest rate.

C.2 Foreign Currency risk

As on March 31, 2019 the Company does not have any significant exposure to foreign currencies.

C.3 Other Market risk

As on March 31, 2019 the Company does not have any other significant market related exposure.

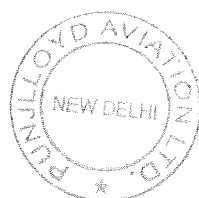
31. Capital Management

For the purpose of the company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to continue as a going concern so that it can maximize the shareholders' value.

The company monitors capital using a gearing ratio, which is net debts divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

	Mar-19	Mar-18
Borrowings	3,766,522,641	363,947,041
Less: Cash and cash equivalents	108,558	975,589
Net Debts	3,766,414,083	362,971,452
Equity	(590,164,257)	(659,990,298)
Capital & net debts	(3,176,249,826)	(297,018,846)
Gearing Ratio	not measurable	not measurable

The company manages its capital structure and makes adjustment in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company policy is to keep the gearing ratio between 80% and 100%. There have been breaches of gearing ratio during the reported periods; however the management is taking corrective measures to rectify the breaches.



Punj Lloyd Aviation Limited

Notes to consolidated financial statements for the year ended March 31, 2019

(All Amounts in INR, unless otherwise stated)

32. Deferred Tax


Deferred tax asset has not been recognized in accounts in accordance with the policy mentioned in note 2 (k) above.

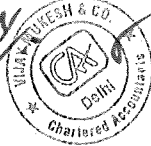
33. As at March 31, 2019, though the company's liabilities are in excess of its assets and also the net worth is eroded, but based on the future projections of the company and prospects and valuation of strategic investments held by the company, the management is confident of favorable turnaround of the current temporary phase and consequent recoupment of accumulated losses resulting in strengthened financial position of the company.

34. Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to this year's classification.

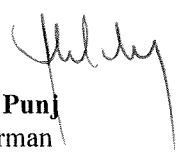
Signature to the schedules forming part of the consolidated financial statements and to the above notes
In terms of our separate report of even date attached

For **Vijay Mukesh & Co.**
Chartered Accountants
Firm Registration No.: 014554N


CA Sunil Jain
Partner
Membership No. : 094673
UDIN: 19094673AAAAMS3524



For and on behalf of the Board of Directors of
Punj Lloyd Aviation Limited


Atul Punj
Chairman
DIN - 00005612

Place: Delhi

Date: 05 SEP 2019