

Singhal Prusty & Associates
Chartered Accountants

A142, Raju Park Sainik Farms (Eastern
Avenue Khanpur, New Delhi 110062, India
Email: vinay.singhal@spacindia.in
Tel. No. : +91 124 4242 800

INDEPENDENT AUDITORS' REPORT

To the Members of AeroEuro Engineering India Private Limited

Opinion

We have audited the standalone financial statements of **AeroEuro Engineering India Private Limited**, which comprise the balance sheet as at 31st March 2020, the statement of profit and loss, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information [Here in after referred to as "Standalone financial statements"].

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 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, 2020, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit 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 standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 02 (iii) to the financial statements and other matters as mentioned in note no.01 to the financial statements which indicates an existence of a material uncertainty which may cast significant doubt on the ability of the Company to continue as a going concern. Our opinion is not qualified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone 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.



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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of The Companies Act 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by 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 purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss, and 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. Since the Company's turnover as per latest audited financial statement is less than Rs. 50 Crore and its borrowings from banks and financial institutions at any time during the year is less than Rs. 25 Crores, the company is exempted from getting an audit opinion with respect to adequacy of internal financials controls over financials reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017; and



With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company does not have any pending litigations which would impact its financial position.
- ii. the Company does not have any long-term contracts requiring a provision for material foreseeable losses.
- iii. The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund

For Singhal Prusty & Associates
Chartered Accountants
Firm Registration No: 024433N


Vinay Singhal
Partner
Membership No: 517499



Place: Delhi

Date : 15/12/2020

UDIN: 20517499 AAAA B133903

Annexure - A to the Auditors' Report

Referred to in paragraph 1 under the heading report on other legal and regulatory requirements of the Auditors' Report of even date to the members of AeroEuro Engineering India Private Limited

- (i) The Company did not have fixed assets during the year under review. Therefore, clauses 3 (i) (a) to (c) of the Order are not applicable.
- (ii) The Company did not have any inventory during the year under review. Therefore, clause 3 (ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the clauses 3 (iii) (a) to (c) of the Order are not applicable.
- (iv) According to the information and explanations given to us, there are no loans, investments, guarantees or security provided by the Company. Therefore, clause 3 (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act, for any of the service rendered by the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

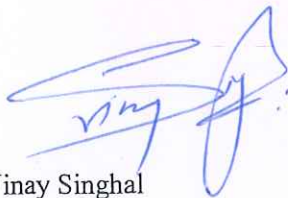
(b) According to the information and explanations given to us, there are no statutory dues which have not been deposited on account of any dispute.

- (viii) The Company did not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Therefore, clause 3 (viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company did not pay/provide any managerial remuneration during the year. Accordingly, clause 3 (xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.



- (xiii) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable.
- (xv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Singhal Prusty & Associates
Chartered Accountants
Firm Registration No: 024433N



Vinay Singhal
Partner
Membership No: 517499



Place: Delhi

Date : 15/12/2020

UDIN: 20517499AAAA BB3903

AeroEuro Engineering India Private Limited
Standalone Balance Sheet as at 31 March, 2020
(All amount in INR, unless otherwise stated)

	Notes	As at 31 March, 2020	As at 31 March, 2019
Assets			
Non-current assets			
Property, plant and equipments	4	-	-
Other Intangible assets	5	-	-
Financial Assets			
Other financial assets	6	-	350,000
		-	350,000
Current assets			
Financial Assets			
Cash & cash equivalents	8	1,098,377	105
Other financial assets	6	-	22,672
Other assets	7	480,290	1,623,427
		1,578,667	1,646,204
		1,578,667	1,996,204
Equity and liabilities			
Equity			
Equity Share capital	9	25,000,000	25,000,000
Other Equity	10	(48,329,472)	(48,319,958)
		(23,329,472)	(23,319,958)
Current liabilities			
Financial Liabilities			
Trade payables	12	-	-
(a) total outstanding dues of micro and small enterprises		-	-
(b) total outstanding dues other than (a) above		407,800	2,143,038
Other financial liabilities	13	24,439,966	21,629,392
Other liabilities	14	60,372	412,105
Provisions	11	-	1,131,627
		24,908,139	25,316,162
		1,578,667	1,996,204

Summary of significant accounting policies 2

The accompanying notes from integral part of the financial statements

This is the balance sheet referred to in our report of even date

For Singhal Prusty & Associates
Chartered Accountants
Firm Registration Number: 024433N

Vinay Singhal
Partner
Membership No:517499



Place: Delhi

Date: 15/12/2020

UDIN: 20517499 AAAAB33903

For and on behalf of the board of directors of
Aeroeuro Engineering India Private Limited



Harbinder Kumar Gulati
Director
DIN: 02055109

Kaushalendra Pratap Singh

Director
DIN: 08364092

AeroEuro Engineering India Private Limited
Standalone Statement of Profit & Loss for the year ended 31 March 2020
(All amount in INR, unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	15	-	7,582,645
Other Income	16	1,111,365	577,994
Total Income (I)		1,111,365	8,160,639
Expenses			
Employee benefits expense	17	144,633	8,347,668
Depreciation and amortization expense	4/5	-	545,819
Other expenses	18	976,246	3,259,335
Total expenses (II)		1,120,879	12,152,822
Profit/(Loss) before tax		(9,514)	(3,992,183)
Tax expenses		-	-
Loss for the year after tax		(9,514)	(3,992,183)
Other Comprehensive Income (OCI)			
OCI not be reclassified to profit or loss or loss in subsequent year.		-	-
Re-measurement of gain/(loss) of defined benefit profit		-	-
Total comprehensive income for the year		(9,514)	(3,992,183)
Profit/(Loss) per equity share of Rs. 10 each -Basic (in Rs.)	19	(0.00)	(1.60)

Summary of significant accounting policies.

The accompanying notes form integral part of the financial statements

This is the statement of profit and loss referred to in our report of even date.

For Singhal Prusty & Associates
Chartered Accountants
Firm Registration Number: 024433N

Vinay Singhal
Partner
Membership No:517499



For and on behalf of the board of directors of
AeroEuro Engineering India Private Limited

Harbinder Kumar Gulati
Director
DIN: 02055109

Kaushalendra Pratap Singh
Director
DIN: 08364092

Place: Gurgaon

Date: 15/12/2020

UDIN: 20517499 AAAA BB3903

AeroEuro Engineering India Private Limited
Standalone statement of changes in equity for the year ended March 31, 2020
(All amounts in INR, unless otherwise stated)

a. Equity Share Capital:

	Nos	As at 31 March 2020 Amount	Nos	As at 31 March 2019 Amount
Equity share of Rs. 10 each issued, subscribed and fully paid	2,500,000	25,000,000	2,500,000	25,000,000
	2,500,000	25,000,000	2,500,000	25,000,000

b. Other Equity

For the year ended March 31, 2020

Description	Reserves and Surplus	Items of OCI		Total
	Retained earning	Other items of OCI		
As at April 1, 2018	(44,327,775)	-		(44,327,775)
Profit/(Loss) for the year	(3,992,183)			(3,992,183)
Other comprehensive Income				
Items that will not be reclassified to profit or loss.				
Remeasurement of post employment benefit obligations				-
Transferred to retained earnings	(48,319,958)	-		(48,319,958)
As at March 31, 2019	(9,514)			(9,514)
Profit/ (loss) for the year				-
Other comprehensive Income				-
Items that will not be reclassified to profit or loss.				-
Remeasurement of post employment benefit obligations				-
Transferred to retained earnings	(48,329,472)	-		(48,329,472)
As at March 31, 2020				

For Singhal Prusty & Associates
Chartered Accountants
Firm Registration Number: 024433N

Vinay Singhal

Partner

Membership No: 517499

Place: Delhi

Date: 15/11/2020

UDIN: 20517499 AAAABBS3405



For and on behalf of the board of directors of
Aeroeuro Engineering India Private Limited

Harbinder Kumar Gulati

Director

DIN: 02055109



Kaushalendra Pratap Singh

Director

DIN: 08364092

(Signature)

AeroEuro Engineering India Private Limited
Standalone Cash Flow statement for the year ended 31 March, 2020
(All amount in INR, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash used in operating activities		
Profit before tax	(9,514)	(3,992,183)
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization	-	545,819
Unrealized foreign exchange loss/(gain)	-	-
Interest expense	-	-
Operating profit before working capital changes	(9,514)	(3,446,364)
Movements in working capital :		
Increase/ (Decrease) in trade payables	(1,735,238)	246,962
Increase/ (Decrease) in provisions	(1,131,627)	523,894
Increase in other current liabilities	2,458,841	(2,448,709)
(Increase)/ Decrease in trade receivables	-	2,476,307
(Increase)/ Decrease in loans and advances	1,515,809	2,395,690
Cash generated (used in) operations	1,098,272	(252,222)
Direct taxes paid (net of refunds)	-	-
Direct tax (Refund From Income Tax)	-	-
Net cash flow from/(used in) operating activities (A)	1,098,272	(252,222)
Cash flows from/ (used in) investing activities		
Purchase of fixed assets	-	-
Net cash used in investing activities (B)	-	-
Cash flows from financing activities		
Interest paid	-	-
Net cash used in financing activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents (A + B + C)	1,098,272	(252,222)
Cash and cash equivalents at the beginning of the year	105	252,325
Cash and cash equivalents at the end of the year	1,098,378	105

This is the Cash flow statement referred to in our report of even date.

For Singhal Prusty & Associates
Chartered Accountants
FRN:033070N

Vinay Singhal
Partner
Membership No:517499



For and on behalf of the board of directors of
AeroEuro Engineering India Private Limited

Harbinder Kumar Gulati
Director
DIN: 02055109

Kaushalendra Pratap Singh
Director
DIN: 08364092

Place: Delhi

Date: 15/12/2020

UDIN: 20517499AAAA883903

1. Corporate Information

AeroEuro Engineering India Private Limited (the Company) is a public limited company domiciled in India and incorporated on May 13, 2011. The Company is primarily engaged in providing engineering and design consultancy. The registered office of the company is located at 17-18, Nehru Place, New Delhi – 110019, India. The company is a Subsidiary of PL Engineering Limited, a company incorporated in India.

Corporate Insolvency Resolution Process (CIRP) for Punj Lloyd Limited (The ultimate Holding Company) under the insolvency and bankruptcy code, 2016 (IBC) has commenced with effect from March 08, 2019. Mr. Gaurav Gupta, Interim Resolution Professional (IRP) was appointed by Hon'ble National Law Tribunal (NCLT), Principal Bench, New Delhi vide its order dated March 08, 2019. Subsequently NCLT vide its order CA-971(PB)/2019 dated May 22, 2019 has appointed Mr. Ashwini Mehra as Resolution Professional (RP) and have taken over from IRP on May 27, 2019. Under CIRP, the powers of the Board of Directors of ultimate holding Company stand suspended. The RP had invited expression of Interest (EOI) from the Resolution Applicants (RA). The RA would be required to submit their proposal. The resolution of ultimate holding company and its continuation as a going concern will depend on and acceptance and approval of the RA proposal by Committee of Creditors (COC) and adjudicating authority respectively. Until further direction by the Hon'able NCLT, the financial statements of the company have been prepared on a going concern basis.

2. Significant accounting policies

(i) Statement of Compliance

Standalone Ind-AS Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013.

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss for the year ended 31 March 2020, the Statement of Cash Flows for the year ended 31 March 2020 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Ind-AS Financial Statements').

These Standalone Ind-AS Financial Statements are approved for issue by the Board of Directors on 15.12.2020.

(ii) Basis of preparation of financial statements

These Standalone Ind-AS Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on an accrual basis as per provisions of the Companies Act, 2013 ("the Act"), except for:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- certain items of property, plant and equipments which have been fair valued on the transition date

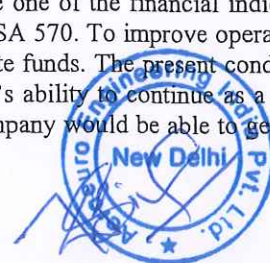
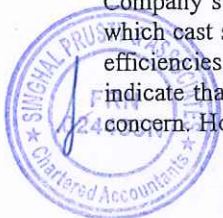
Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

With effect from April 01, 2019, Ind AS 116- "Leases" (Ind AS-116) supersedes Ind AS 17- "Leases". The Company has adopted Ind AS using the prospective approach. The application of Ind AS 116 has resulted into recognition of "Right of use" asset with a corresponding Lease Liability in the Balance sheet.

The Standalone Ind-AS Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR, unless otherwise stated.

Basis for Preparation

(iii) During the year ended as on March 31, 2020, Company has incurred a net loss of Rs. 9514/- and, as of that date, the Company's current liabilities exceeded its total assets by Rs.2,33,29,472 /-. This is the one of the financial indication which cast significant doubt on the entity ability to continue as a going concern as per SA 570. To improve operational efficiencies, the Company is taking various measures including new avenues to generate funds. The present conditions indicate that a material uncertainty exists that casts significant doubt on the Company's ability to continue as a going concern. However, the management is confident that with the above measures, the Company would be able to generate



sustainable cash flows, discharge its short term and improve its net worth through profitable operations and continue as a going concern. Hence, financial statements have been prepared on a going concern basis

b). Property, plant and equipment

Property, plant and equipment, excluding freehold land, but including capital work-in-progress are stated at cost, less accumulated depreciation and impairment losses, if any. Freehold land is carried at historical cost. The cost includes the purchase price and expenditure that is directly attributable to bringing the asset to its working condition for the intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

The Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with Ministry of Corporate Affairs ("MCA") circular dated August 09, 2012, exchange differences adjusted to the cost of tangible assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

Depreciation method estimated useful lives and de-recognition

Depreciation is calculated using the straight-line method to allocate the cost, net of the residual values, over the estimated useful lives as follows:

Asset Description	Useful lives (years)
Furniture and fixtures, and tools	10
Office equipments	5
Software	6*
Computer	3

*for the software purchased in the financial year 2017-18 the useful live is 2 years

The property, plant and equipment acquired under finance leases, including assets acquired under sale and lease back transactions, is depreciated over the shorter of the asset's useful life and the lease term, if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use thereof. Any gain or loss arising on de-recognition of the assets, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statement of profit and loss when the asset is derecognized.

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

(c). Intangible assets

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

Development expenditures are recognized as an intangible asset when the Company is able to demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development



The Company amortizes intangible assets with finite lives using the straight-line method over the period of licenses or based on the nature and estimated useful economic life, i.e., six years, whichever is lower.

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

The amortization period and the method is reviewed at each financial year end and adjusted prospectively.

(d) 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. 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries or countries in which the Company operates, or for the market in which the asset is used.

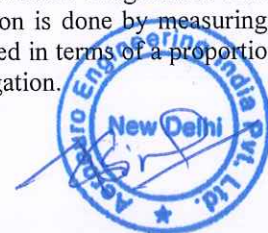
Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been, had no impairment loss been recognized. Such reversal is recognized in the statement of profit and loss.

(e) Revenue recognition

The company has adopted AS 115 "Revenue from Customers" effective April 01, 2018. Ind AS 115 supersedes Ind AS 11 "Construction Contracts". The Company has applied Ind AS 115 using the modified retrospective method and the cumulative impact of transition to Ind AS 115 has been adjusted against the Retained earnings as at April 01, 2018. Accordingly, the figures of the previous year are not restated under Ind AS 115. The application of Ind AS 115 did not have any material impact on recognition and measurement principles. However, it results in additional presentation and disclosure requirements for the Company.

The Company recognizes revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognized to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.



Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Profit & Loss immediately in the period in which such costs are incurred.

Significant judgments are used in :

1. Determining the revenue to be recognized in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.
2. Determining the expected losses, which are recognized in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

A). Revenue from operations

Revenue for the periods upto June 30, 2017 includes Service Tax/Sales Tax collected from customers. Revenue from July 1, 2017 onwards is exclusive of goods and service tax (GST) which subsumed Service Tax/Sales Tax. Revenue also includes adjustments made towards liquidated damages and variation wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers are not taken into account.

B). Revenue from construction/project related activity is recognized as follows:

Cost plus contracts: Revenue from cost plus contract is recognized over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.

Fixed price contracts: Contract revenue is recognized over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognized at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

Impairment losses (termed as provision for foreseeable losses in the financial statement) is recognized in profit and loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfill such remaining performance obligation). In addition, the Group recognizes impairment loss (termed as provision for expected credit loss on contract assets in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

For contracts where the aggregate of contract cost incurred to date plus recognized profits (or minus recognized losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Unbilled revenue (work-in-progress)". For contracts where progress billing exceeds the aggregate of contract cost incurred to-date plus recognized profits (or minus recognized losses, as the case may be), the surplus is shown as "Other liabilities" in the financial statements. Amounts received before the related work is performed are disclosed in the Balance Sheet as other liability and termed as "Advances from customer". The amount billed on customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customer pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivable when it becomes due for payment.

C). Revenue from long term construction contracts executed in unincorporated joint ventures under work sharing arrangements is recognized on the same basis as similar contracts independently executed by the Company. Revenue from unincorporated joint ventures under profit sharing arrangements is recognized to the extent of the Company's share in unincorporated joint ventures.

D). Revenue from hire charges is accounted for in accordance with the terms of agreements with the customers.



E). Revenue from management services is recognized pro-rata over the period of the contract as and when the services are rendered.

F). Rental income arising from operating leases on investment properties is generally accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss. These are accounted for otherwise where the payments to the lessor are structured to increase in line with expected general inflation, to compensate for the expected inflationary cost increases.

G). Interest income from debt instruments is recognized using the effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

H). Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders of the investee approve the dividend.

I). Export Benefit under the Duty Free Credit Entitlements is recognized in the statement of profit and loss, when right to receive license as per terms of the scheme is established in respect of exports made and there is no significant uncertainty regarding the ultimate collection of the export proceeds.

(f). Borrowing costs

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 in which they occur. Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(g) Financial instruments

Financial Instruments (assets and liabilities) are recognized when the Company becomes a party to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

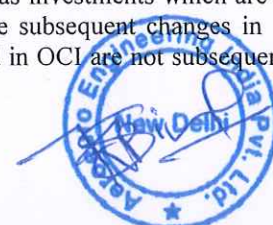
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in statement of profit and loss.

a. Financial assets

(i). Subsequent measurement

Subsequent measurement depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its financial assets.

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the Effective Interest Rate (EIR) method. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.
- **Fair value through other comprehensive income (FVTOCI):** The Company has investments which are not held for trading. The Company has elected an irrevocable option to present the subsequent changes in fair values of such investments in other comprehensive income. Amounts recognized in OCI are not subsequently reclassified to the statement of profit and loss.



- **Fair value through profit and loss (FVTPL):** FVTPL is a residual category for financial assets in the nature of debt instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. This category also includes derivative financial instruments, if any, entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

(ii). Impairment of financial assets

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.

(iii). De-recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or the same are transferred.

b. Financial liabilities

(i). Subsequent measurement

There are two measurement categories into which the Company classifies its financial liabilities.

- **Amortised cost:** After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.
- **Financial liabilities at FVTPL:** Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

(ii). De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

c. Offsetting financial instruments

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

(h). Fair value measurement

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

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

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

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



AeroEuro Engineering India Private Limited

Notes to standalone financial statements for the year ended March 31, 2020

(All amounts in INR, unless stated otherwise)

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.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfer is required between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) (a) on the date of the event or change in circumstances or (b) at the end of each reporting period.

(i). Employee benefits

Short-term obligations

Liabilities for salaries and wages, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized up to the end of the reporting period and are measured at the amounts expected to be paid on settlement of such liabilities. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other Comprehensive Income.

The obligations are presented as current liabilities in the balance sheet since the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:

- Defined benefit plans in the form of gratuity, and
- Defined contribution plans such as provident fund and pension fund

Gratuity obligations

The Company operates a defined benefit gratuity plan for employees employed in India. The Company has obtained group gratuity scheme policies from Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited to cover the gratuity liability of these employees. The difference in the present value of the defined benefit obligation and the fair value of plan assets at the end of the reporting period is recognized as a liability or asset, as the case may be, in the balance sheet. The defined benefit obligation is calculated annually on the basis of actuarial valuation using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expense in the statement of profit and loss.

Re-measurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in OCI.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans

The Company makes contribution to statutory provident fund and pension funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.



(j). Income taxes

Income tax comprises current income tax and deferred tax. The income tax expense or credit for the year is the tax payable on the current year's taxable income, based on the applicable income tax rate for each jurisdiction where the Company operates, adjusted by changes in deferred tax assets and liabilities attributed to temporary differences and to unused tax losses.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities, using the tax rates and tax laws that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generate taxable income.

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set-off current tax assets against liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized in OCI or directly in equity. In this case, the tax is recognized in OCI or directly in equity, respectively.

(k). Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(l). Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year, adjusted for the events such as bonus issue, share split or otherwise that have changed the number of equity shares outstanding without a corresponding change in resources.

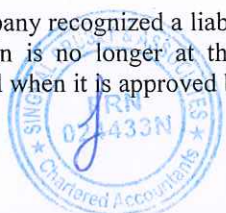
For the purpose of calculating diluted earnings per share, the profit or loss attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(m). Cash and cash equivalents

Cash and cash equivalents, for the purposes of cash flow statement, comprise cash on hand, demand deposits, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(n). Dividends

The Company recognized a liability for the amount of any dividend declared when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders.



(o). Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the 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:

- a). 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;
- b). present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- c). present obligation, where a reliable estimate cannot be made.

(p). Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is expected to be material, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

(q). Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents and the management considers this to be the project period.

(r). Measurement of EBITDA

As permitted by the Guidance Note on the Division II of 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. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

(s). Current and Non-Current Classification:

The Company presents assets and liabilities in the Balance Sheet based on Current/Non-Current classification.

An Asset is classified as Current when it is –

- Expected to be realized or intended for sale or consumption in, the Company's normal operating cycle;
- Held primarily for the purpose of trading;

All other assets are classified as non-current.

A liability is classified as current when it is:

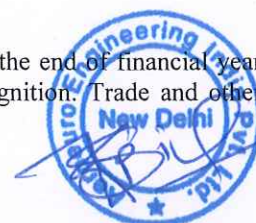
- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading.
- It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

(t). Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other



payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

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.

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.

Revenue recognition:

The Company uses the percentage-of-completion method (POCM) in accounting for its long term construction contracts. Use of POCM requires the Company to estimate the total cost to complete a contract. Changes in the factors underlying the estimation of the total contract cost could affect the amount of revenue recognized.

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.

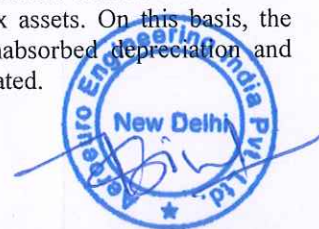
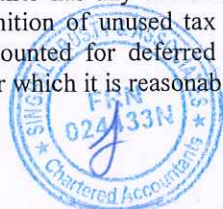
Defined benefit plan (employee benefits):

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 neither has any taxable temporary difference nor 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, for which it is reasonably certain that future taxable income would be generated.



Recoverability of Trade Receivables:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Global Health Pandemic on COVID19:

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbances and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID 19 is significantly impacting business operation of the Companies, by way of interruption in operating activities, unavailability of personnel, supply chain disruption etc. On March 24, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till May 03, 2020, May 17, 2020, May 31, 2020, June 30, 2020, July 31, 2020, August 31, 2020, September 30, 2020 and to October 31, 2020, respectively to prevent community spread of COVID 19 in India resulting in significant reduction in economic activities.

In assessing the recoverability of Company's assets such as Investments, Loans, Intangible assets, Trade receivables etc. the company has considered internal and external information. The Company has performed sensitivity analysis on the assumptions used basis the internal and external information/ indicators of future economic conditions, the Company expects to recover the carrying amount of the assets.

(a). Recent accounting pronouncements:

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2019.

Issues of Ind AS 116 – Leases

Ind AS 116 will replace existing leasing standard i.e. Ind AS 17 and related interpretations. Ind AS 116 introduces a single lessee accounting model and requires lessee to recognize assets and liabilities for all leases with non-cancellable period of more than twelve months except for low value assets. Ind AS 116 substantially carries forward the lessor accounting requirement in Ind AS 17.

Amendment to existing standard

The MCA has also carried out amendments of the following accounting standards

(i)	Ind AS 12	Income Taxes
(ii)	Ind AS 19	Employee Benefits
(iii)	Ind AS 23	Borrowing Costs
(iv)	Ind AS 103	Business Combinations
(v)	Ind AS 111	Joint Arrangements
(vi)	Ind AS 28	Investment in Associates and Joint Venture
(vii)	Ind AS 109	Financials Instruments
(viii)	Ind AS 08	Accounting Policies, Change in Accounting Estimates and Errors

Applications of above standards are not expected to have any significant impact on the Company's financial statements.



AeroEuro Engineering India Private Limited

Notes to financial statements for the year ended March 31, 2020

(All amount in INR, unless otherwise stated)

(4). Property, plant and equipments

Particulars	Computer Hardware	Office Equipment	Furniture and fixtures	Total
As at April 01, 2018	5,365,267	120,177	41,527	5,526,971
Additions during the year	-	-	-	-
Deletion during the year	-	-	-	-
As at March 31, 2019	5,365,267	120,177	41,527	5,526,971
Additions during the year	-	-	-	-
Deletion during the year	5,365,267	120,177	41,527	5,526,971
As at March 31, 2020	-	-	-	-
Accumulated depreciation				
As at Apr 1,2018	5,365,267	120,177	25,649	5,511,093
Charge for the year	-	-	15,878	15,878
As at 31-Mar-2019	5,365,267	120,177	41,527	5,526,971
Charge for the year	-	-	-	-
Deletion during the year	5,365,267	120,177	41,527	
As at 31-Mar-2020	-	-	-	-
Net Block				
As at March 31, 2019	-	-	-	-
As at March 31, 2020	-	-	-	-

(5). Intangible assets

Particulars	Computer software	Total
As at Apr 1,2018	7,860,091	7,860,091
Additions during the year	-	-
As at March 31, 2019	7,860,091	7,860,091
Additions during the year	-	-
Deletion during the Year	7,860,091	7,860,091
As at March 31, 2020	-	-
Accumulated amortization		
As at Apr 1,2018	7,330,150	7,330,150
Charge for the year	529,941	529,941
As at March 31, 2019	7,860,091	7,860,091
Charge for the year	-	-
Deletion during the Year	7,860,091	7,860,091
As at March 31, 2020	-	-
Net block		
As at Apr 1,2018	529,941	529,941
As at March 31, 2019	0	0
As at March 31, 2020	-	-

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AeroEuro Engineering India Private Limited
Notes to financial statements for the year ended March 31, 2020
(All amount in INR, unless otherwise stated)
(6). Other financial assets (Unsecured, considered good)

	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Security deposit	-	350,000	-	-
Advances to employees	-	-	-	22,672
	-	350,000	-	22,672
(7). Other assets(Unsecured, considered good)				
Balances with statutory / government authorities	-	-	480,290	1,623,427
Total	-	-	480,290	1,623,427

(8). Cash & cash equivalents

	As at 31 March, 2020	As at 31 March, 2019
Balances with banks:		
- On current accounts	1,098,377	105
	1,098,377	105
Cash on hand	-	-
	-	-
	1,098,377	105

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(9). Share Capital

Particulars	As at 31 March, 2020	As at 31 March, 2019
Authorized shares		
3,000,000 (2019: 3,000,000) equity shares of Rs. 10 each	30,000,000	30,000,000
Issued, subscribed and fully paid-up shares		
2,500,000 (2019: 2,500,000) equity shares of Rs. 10 each	25,000,000	25,000,000
	<u>25,000,000</u>	<u>25,000,000</u>

Equity shares

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

Equity shares outstanding at the beginning of the year	25,000,000	25,000,000
Issued during the year	-	-
Buyback during the year	-	-
Outstanding at the end of the period	<u>25,000,000</u>	<u>25,000,000</u>

(b) Terms/ rights attached to equity shares

- (i) The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.
- (ii) 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 actual capital contributed by each party to the authorized share capital of the Company.
- (iii) During the year ended March 31,2020, the amount of per share dividend recognized as distribution to equity shareholders was Nil (Previous year Nil)
- (c) List of shareholders holding more than 5% of the equity share capital of the Company at the beginning and at the end of the reporting year:

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No.	% of Holding	No.	% of Holding
PL Engineering Limited (including one equity share held by nominee)	2,500,000	100%	2,500,000	100%

As per records of the company,including its register of shareholders/members,the above shareholding represents both legal and beneficial ownerships of shares.

(d) No Bonus Shares or shares has been issued for consideration other than cash or shares bought back over the last five years immediately preceedinthe reporting date.

(10). Other Equity (Reserves and Surplus)

	As at March 31, 2020	As at March 31, 2019
Deficit as per statement of profit and loss		
Balance at the beginning of the year	(48,319,958)	(44,327,775)
Profit/Loss for the year	(9,514)	(3,992,183)
Closing balance at end of the year	<u>(48,329,472)</u>	<u>(48,319,958)</u>

(11). Provisions

	Long-term		Short-term	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits	-	-	-	877,220
Provision for gratuity	-	-	-	254,407
Provision for compensated absences	-	-	-	1,131,627



AeroEuro Engineering India Private Limited

Notes to financial statements for the year ended March 31, 2020

(All amount in INR, unless otherwise stated)

(12). Trade Payable

	As at 31 March, 2020	As at 31 March, 2019
- Total Outstanding dues of micro and small enterprise	-	-
- Total Outstanding dues other than micro and small enterpris	407,800	2,143,038
	<u>407,800</u>	<u>2,143,038</u>

(13). Other financial liabilities

Loan, repayable on demand to related party	14,111,394	14,111,394
Interest payable to related party	6,477,130	6,477,130
Other payable to related party	3,851,442	1,040,868
	<u>24,439,966</u>	<u>21,629,392</u>

(14). Other liabilities

Due to employees	2,237	-
Statutory / Government Authority	58,135	412,105
	<u>60,372</u>	<u>412,105</u>

(This space has been intentionally left blank)



AeroEuro Engineering India Private Limited
Notes to financial statements for the year ended March 31, 2020
(All amount in INR, unless otherwise stated)

(15). Revenue from operations

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Professional fees	-	7,582,645
	-	7,582,645

(16). Other income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest on refund of Income tax	96,463	-
Unspent Liabilities and provision written back	299,569	555,994
Profit on Sale of Assets	715,333	-
Scrap Sale	-	22,000
	1,111,365	577,994

(17). Employee benefits expense

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	112,058	7,358,465
Contribution to provident fund	32,575	344,212
Gratuity expense and Leave Encashment	-	532,895
Staff welfare expenses	-	112,096
	144,633	8,347,668

(18). Other expenses

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Power and fuel	-	301,144
Rent	82,599	1,454,994
Rates and taxes	157,346	10,680
Repair & Maintenance-Others	-	16,675
Net loss on foreign currency transaction	-	1,848
Repair & Maintenance-Building	97,430	48,720
Office Expense	-	169,771
Computer software expenses	-	22,078
Travelling and conveyance	-	124,805
Communication cost	71,018	121,854
Payment to auditors	100,000	100,000
Legal and professional charges	355,140	287,009
Balance Written off	94,776	515,246
Bank charges	17,937	15,706
Interest on Late Payment	-	2,511
Misc. Exp	-	66,296
	976,246	3,259,335

Payment to auditor as:

Particular	Year ended 31 March 2020	Year ended 31 March 2019
Auditor	100,000	100,000
	100,000	100,000



AeroEuro Engineering India Private Limited

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

(All amount in INR, unless otherwise stated)

(19). Earnings/(Loss) per share (EPS)

The following reflects the loss share and data used in the basic EPS computation:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
a) Computation of weighted average number of equity shares		
Weighted average number of equity shares outstanding at the end of the year(nos.)	2,500,000	2,500,000
b) Computation of loss per share		
Net Profit/(loss) after tax	(9,514)	(3,992,183)
Net Profit/(loss) after tax attributable to equity shareholder	(9,514)	(3,992,183)
Basic earnings per share (face value per share Rs 10 each)	(0.00)	(1.60)

(20). Leases

Operating lease: Company as lessee

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

The Company has taken office premises under operating lease agreements. The lease taken is for the period of two years (with a lock-in period of two years). Its is renewable at the end of two years with the mutual consent of both lesser and lessee. The lease agreement has been terminated with the mutual consent on May 09, 2019.

Particulars	March 31, 2020	March 31, 2019
Within one year	82,600	864,500
After one year but not more than five years	-	441,000
More than five years	-	-
	82,600	1,305,500

Lease payment charged to Statement of Profit and Loss account during the year amounted to Rs. 82,600 (previous year Rs. 13,05,500).



AeroEuro Engineering India Private Limited

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

(All amount in INR, unless otherwise stated)

(21). Related party disclosures

(a) Names of related parties and related party relationship

Related parties where control exists

Punj Lloyd Limited	Holding Company of PL Engineering Limited (Under CIRP) w.e.f. March 31, 2019
PL Engineering Limited	Holding Company

Related parties with whom transactions have taken place during the year or in the previous year

PL Engineering Limited	Holding Company
Spectra Punj Lloyd Limited	Fellow Subsidiary
Punj Lloyd Solar Power Limited	Fellow Subsidiary

Key management personnel (KMP)

Director	Rahul Kapahi (upto August 26, 2020)
Director	Devendra Kumar Suryavansi (w.e.f. May 28, 2019 upto Feb 14, 2020)
Director	Kaushalendra Pratap Singh (w.e.f. Feb 17, 2020)
Director	Sunil Kadoor Krishna (upto Jun 28, 2019)
Director	Harbinder Kumar Gulati (w.e.f. August 18, 2020)

(b) Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Particulars	Holding Company		Fellow Subsidiaries of Holding Company	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Revenue				
Punj Lloyd Solar Power Limited	-		-	5,940,000
Expenses incurred/ payment made by related party of the on behalf Company				
PL Engineering Limited	3,521,192	-	-	-
Outstanding payable				
- In respect of expenses paid by related party				
PL Engineering Limited	4,001,442	480,250	-	-
Spectra Punj Lloyd Limited	-	-	-	560,618
- In respect of interest on loan				
PL Engineering Limited	6,477,130	6,477,130	-	-
- In respect of loan taken from related party				
PL Engineering Limited	14,111,394	14,111,394	-	-
	28,111,158	21,068,774	-	6,500,618



AeroEuro Engineering India Private Limited

Notes to standalone financial statements for the year ended March 31, 2020

(All amounts in INR, unless stated otherwise)

22. Capital Management.

For the purpose of the company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholders value.

	March 31, 2020	March 31, 2019
Short term borrowings	20,588,524	20,588,524
Trade payables	407,800	2,143,038
Other Payables	60,372	1,040,868
Less:		
Cash and cash equivalents	(1,098,377)	(1,098,377)
Net Debts	19,958,319	23,772,325
Equity	(23,329,472)	(23,319,958)
Capital & net debts	(3,371,153)	452,367
Gearing Ratio	-592%	5255%

23. Segment Information

Based on the guiding principles given in Ind AS 108 on "Operating Segments", the Company business activity falls within single operating segment viz. Engineering and designing services. Accordingly the segment disclosure requirements of Ind AS 108 are not applicable.

24. Financial risk management objective 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.

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 not exposed to credit risk as the commercial operation has not been commenced.

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

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. The Company's exposure to the risk of changes in market interest rates related primarily to the Companies long term debt obligation with floating interest rate. As on March 31, 2020 the Company does not have any bank borrowing at floating interest rate.

25. There are no contingent liabilities and capital commitments as at March 31, 2020. (previous year as at March 31, 2019.:Nil)

26. Employee benefit expenses has been booked on actual basis.

27. Amounts in the financial Statement Statements are presented in INR value otherwise stated.



AeroEuro Engineering India Private Limited
Notes to standalone financial statements for the year ended March 31, 2020
(All amounts in INR, unless stated otherwise)

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

As per our report of even date

For **Singhal Prusty & Associates**
Chartered Accountants
Firm Registration Number: 024433N

Vinay Singhal
Partner
M. No. 517499



Place: Delhi

Date: 15/12/2020

UDIN: 20517499AAAA883903



For and on behalf of the Board of Directors of
AeroEuro Engineering India Private Limited

Kaushalendra Pratap Singh
Director
DIN: 08364092

Harbinder Kumar Gulati
Director
DIN: 02055109