

PUNJ LLOYD AVIATION PTE. LTD.
(Incorporated in the Republic of Singapore)

**DIRECTORS' STATEMENT AND AUDITED
FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 31 MARCH 2019**



J. TAN & CO.
Public Accountants and Chartered Accountants

CORPORATE INFORMATION

REGISTERED OFFICE	195 Pearl's Hill Terrace #03-14 Singapore 168976
DIRECTORS	Atul Punj Ajay Khanjanchi (Appointed on 21 April 2017)
COMPANY SECRETARY	Lim Hai Loon
INDEPENDENT AUDITOR	J. TAN & CO. <i>Public Accountants and Chartered Accountants</i>

CONTENTS	PAGES
Directors' statement	1 to 2
Independent auditor's report	3 to 4
Statement of financial position	5
Statement of comprehensive income	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9 to 23

DIRECTOR'S STATEMENT

for the financial year ended 31 March 2019

The directors presents their statement to the members together with the audited financial statements of the Company for the financial year ended 31 March 2019.

1 OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the financial statements set out on pages 5 to 23 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2 DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Atul Punj
Ajay Khanjanchi (Appointed on 21 April 2017)

3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

4 DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Ordinary shares			
	Holdings registered in the names of the director		Holdings in which a director is deemed to have an interest	
	At end of year	At beginning of year	At end of year	At beginning of year
<u>Punj Lloyd Limited</u> (Ultimate Holding Company) Ordinary shares of Rps 2 each				
Atul Punj	1,430,540	1,430,540	23,172,475	96,176,791

DIRECTOR'S STATEMENT

for the financial year ended 31 March 2019

5 SHARE OPTIONS

No options were granted during the financial year to subscribe for unissued shares of the Company.

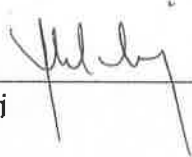
No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

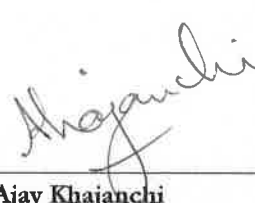
6 INDEPENDENT AUDITOR

The independent auditor, **J. TAN & CO., Public Accountants and Chartered Accountants** has expressed its willingness to accept re-appointment.

On behalf of the directors,



Atul Punj
Director



Ajay Khajanchi
Director

Singapore, 21 MAY 2019



INDEPENDENT AUDITOR'S REPORT

to the members of

Punj Lloyd Aviation Pte. Ltd.

for the financial year ended 31 March 2019

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Punj Lloyd Aviation Pte. Ltd.** (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2019, and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). 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 Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the directors' statement included in pages 1 to 2 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the 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.

The directors' responsibilities include overseeing the Company's financial reporting process.



陳占士會計公司
特許會計師

J. TAN & CO.
Public Accountants and Chartered Accountants
UEN No.: S95PF0596A



INDEPENDENT AUDITOR'S REPORT

to the members of

Punj Lloyd Aviation Pte. Ltd.

for the financial year ended 31 March 2019

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 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 the directors 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

J. TAN & CO.

Public Accountants and Chartered Accountants

Singapore 21 MAY 2019

STATEMENT OF FINANCIAL POSITION

as at 31 March 2019

	Note	2019	2018
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	4	1	1
Amounts owing from related companies	5	6,890,090	68
		6,890,091	69
Non-current assets			
Plant and equipment	6	-	21,018,070
Total assets		6,890,091	21,018,139
LIABILITIES			
Current liabilities			
Other payables	7	1,264	3,764
Amounts owing to related companies	8	16,004	187,953
Total liabilities		17,268	191,717
Net assets		6,872,823	20,826,422
EQUITY			
Share capital	9	50,755,522	50,755,522
Accumulated losses		(43,882,699)	(29,929,100)
Total equity		6,872,823	20,826,422

Punj Lloyd Aviation Pte. Ltd.

STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 March 2019

	Note	2019	2018
		\$	\$
Revenue	2.2	-	14
Other (loss) / gain – net	10	(11,562,867)	460
Administrative expenses	11	(2,390,732)	(7,252,435)
Loss before income tax		(13,953,599)	(7,251,961)
Income tax expense	12	-	(101,560)
Loss for the year / Total comprehensive loss for the year		(13,953,599)	(7,353,521)

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 March 2019

	Share capital	Accumulated losses	Total equity
	\$	\$	\$
As at 1 April 2017	50,755,522	(22,575,579)	28,179,943
Loss for the year / Total comprehensive loss for the year	-	(7,353,521)	(7,353,521)
As at 31 March 2018	50,755,522	(29,929,100)	20,826,422
Loss for the year / Total comprehensive loss for the year	-	(13,953,599)	(13,953,599)
As at 31 March 2019	50,755,522	(43,882,699)	6,872,823

STATEMENT OF CASH FLOWS*for the financial year ended 31 March 2019*

	Note	2019	2018
		\$	\$
<u>Cash flows from operating activities</u>			
Loss before income tax		(13,953,599)	(7,251,961)
<u>Adjustments for:</u>			
Depreciation of plant and equipment	6	2,389,264	7,207,284
Loss on disposal of plant and equipment	10	11,562,614	-
Operating cash flows before working capital changes		(1,721)	(44,677)
<u>Changes in working capital</u>			
Changes in amounts owing from related companies		(6,890,022)	(12)
Changes in other payables		(2,500)	(9,814)
Changes in amounts owing to related companies		(171,949)	156,063
		(7,064,471)	146,237
Cash (used in) / generated from operations		(7,066,192)	101,560
Income tax paid	12	-	(101,560)
Net cash used in operating activities		(7,066,192)	-
<u>Cash flows from investing activities</u>			
Proceeds from disposal of plant and equipment		7,066,192	-
Net cash generated from investing activities		7,066,192	-
Net changes in cash and cash equivalents during the year		-	-
Cash and cash equivalents at beginning of year		1	1
Cash and cash equivalents at end of year	4	1	1

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 CORPORATE INFORMATION

Punj Lloyd Aviation Pte. Ltd. (the "Company") (UEN No. 201400284M) is incorporated and domiciled in Singapore. The address of its registered office is located at 195 Pearl's Hill Terrace, #03-14, Singapore 168976.

The principal activities of the Company are those relating to aircraft leasing.

The immediate and ultimate holding companies are Punj Lloyd Infrastructure Pte Ltd ("PLIPL"), a company incorporated in Singapore, and Punj Lloyd Limited ("PLL"), a company incorporated in India, respectively.

Pursuant to an order dated 8 March 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 Ultimate Holding Company") as per the provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC"). An Interim Resolution Professional ("IRP") has 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 has been suspended and shall be exercised by the IRP.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) which are stated at cost, are assumed to approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

At the beginning of the current financial year, the Company adopted the new or amended FRSs and interpretations of FRSs (INT FRSs) that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

Interpretations and amendments to published standards effective in 2018

On 1 April 2018, the Company adopted the new or amended FRSs and interpretations of FRSs (INT FRSs) that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Company and had no material effect on the amounts reported for the current or prior financial years.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Aircraft rental income

Rental income arising from operating leases on aircraft is accounted for on a straight-line basis over the lease term.

2.3 Plant and equipment

(a) Measurement

(i) All plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Component of costs

The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Depreciation on plant and equipment is calculated using the straight line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful Lives
Aircrafts	7 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the statement of comprehensive income when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of comprehensive income when incurred.

(d) Disposal

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the statement of comprehensive income. Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Impairment of non-financial assets

Plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs. If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of comprehensive income.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in the statement of comprehensive income.

2.5 Financial assets

The accounting for financial assets before 1 January 2018 are as follows:

(a) Classification

The Company classifies its financial assets in the following categories: loans and receivables and financial assets, available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "Amounts owing from related companies" (Note 5) and "cash and cash equivalents" (Note 4) on the statement of financial position.

(b) Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceed is recognised in statement of comprehensive income. Any amount in the fair value reserve relating to that asset is transferred to the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Financial assets (Continued)

The accounting for financial assets before 1 January 2018 are as follows: (Continued)

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(d) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

(e) Impairment

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the statement of comprehensive income.

The impairment allowance is reduced through the statement of comprehensive income in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

The accounting for financial assets from 1 January 2018 are as follows:

(f) Classification and measurement

The Company classifies its financial assets into amortised cost.

The classification of debt instruments depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Financial assets (Continued)

The accounting for financial assets from 1 January 2018 are as follows: (Continued)

(f) Classification and measurement (Continued)

At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

At subsequent recognition

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents.

Amortised cost: Debt instruments 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. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(g) Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(h) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.8 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.9 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value.

2.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.11 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

2.12 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

All other foreign exchange gains and losses impacting statement of comprehensive income are presented in the statement of comprehensive income.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2.14 Related parties

Related parties consist of key management of the Company and entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) A related person has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (iii) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment of amounts owing from related companies

The Company assesses at end of reporting date whether there is any objective evidence that the amounts owing from related companies are impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as industry performance, technology changes and operational and financing cash flows. Management will also consider the financial conditions and business prospects of the related companies.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on the forecasted performance of the related companies. The carrying amount of the amounts due from related parties at 31 December 2018 is disclosed in Note 5.

4 CASH AND CASH EQUIVALENTS

	2019	2018
	\$	\$
Cash on hand	1	1

At the end of the reporting period, the carrying amounts of cash and cash equivalents approximate their fair values.

5 AMOUNTS OWING FROM RELATED COMPANIES

	2019	2018
	\$	\$
Amounts owing from related parties	8,478,241	8,478,241
Less: Allowance for impairment	(8,478,173)	(8,478,173)
	68	68
Amounts owing from immediate holding company	6,890,022	-
	6,890,090	68

At the end of reporting period, the carrying amounts of amounts owing from related companies approximate their fair value.

The amounts owing from related companies are non-trade, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2019***6 PLANT AND EQUIPMENT**

	Aircraft	Total
	\$	\$
<u>Cost</u>		
As at 1 April 2017 and 31 March 2018	50,755,521	50,755,521
Disposal	(50,755,521)	(50,755,521)
As at 31 March 2019	-	-
<u>Accumulated depreciation</u>		
As at 1 April 2017	22,530,167	22,530,167
Depreciation charge for the year	7,207,284	7,207,284
As at 31 March 2018	29,737,451	29,737,451
Depreciation charge for the year	2,389,264	2,389,264
Disposals	(32,126,715)	(32,126,715)
As at 31 March 2019	-	-
<u>Net book value</u>		
As at 31 March 2018	21,018,070	21,018,070
As at 31 March 2019	-	-

7 OTHER PAYABLES

	2019	2018
	\$	\$
Accruals for operating expenses	1,252	3,752
Advance lease rental	12	12
	1,264	3,764

At the end of reporting period, the carrying amounts of other payables approximate their fair value.

8 AMOUNTS OWING TO RELATED COMPANY

	2019	2018
	\$	\$
Amounts owing to immediate holding company	-	187,953
Amounts owing to related company	16,004	-
	16,004	187,953

At the end of the reporting period, the carrying amounts of amounts owing to related company approximate their fair values.

Amounts owing to related companies are non-trade, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2019***9 SHARE CAPITAL**

	2019		2018	
	No. of shares	Amount of shares	No. of shares	Amount of shares
		\$		\$
<u>Ordinary shares with no par value</u>				
<u>Issued and fully paid</u>				
Beginning and end of financial year	50,755,522	50,755,522	50,755,522	50,755,522

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

10 OTHER (LOSS) / GAIN – NET

	2019	2018
	\$	\$
Foreign exchange (loss) gain - unrealised	(253)	460
Loss on disposal of plant and equipment	(11,562,614)	-
	(11,562,867)	460

11 EXPENSES BY NATURE

	2019	2018
	\$	\$
Depreciation expenses (Note 6)	2,389,264	7,207,284
Professional fees	1,468	9,490
Insurance expenses	-	35,590
Others	-	71
Total administrative expenses	2,390,732	7,252,435

12 INCOME TAXES**(a) Income tax expense**

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 were:

	2019	2018
	\$	\$
Under provision for prior year	-	101,560

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2019***12 INCOME TAXES (Continued)****(a) Income tax expense (Continued)**

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2019	2018
	\$	\$
Loss before income tax	(13,953,599)	(7,251,961)
Income tax using the statutory tax rate of 17% (2018: 17%)	(2,372,112)	(1,232,833)
Tax effects of:		
Income not subject to tax	(43)	(78)
Expenses not deductible for tax purposes	2,371,819	1,225,238
Deferred tax assets not recognised	336	7,673
Under provision for prior year	-	101,560
Tax charge	-	101,560

(b) Movement in current income tax liabilities

	2019	2018
	\$	\$
Beginning of financial year	-	-
Income tax paid	-	(101,560)
Under provision of prior year	-	101,560
End of financial year	-	-

13 RELATED PARTY TRANSACTIONS

As at the end of reporting period, the amount owing from/to related parties amounted to was as follows:

	2019	2018
	\$	\$
<u>Amounts owing from/(to) related party</u>		
Christos Aviation Limited	68	68
Punj Lloyd Oil and Gas (M) Sdn Bhd	(6,405)	-
Punj Lloyd Sdn Bhd	(9,599)	-
Punj Lloyd Pte Ltd	8,478,173	8,474,262
Less: Provision for doubtful debts	(8,478,173)	(8,474,262)
Total amount owing (from)/to Punj Lloyd Pte Ltd	-	-
<u>Amounts owing from/(to) immediate holding company</u>		
Punj Lloyd Infrastructure Pte Ltd	6,890,022	(187,953)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

14 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company and has established detailed policies such as authority levels and oversight responsibilities.

(a) Market risk

(i) Currency risk

As most of the Company's transactions are carried in Singapore dollars, its exposure to foreign exchange rate is minimal.

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company does not has significant fixed rates interest-bearing assets.

The sensitivity analysis for changes in interest rate is not disclosed as the effect on the statement of comprehensive income is considered not significant.

(b) Credit risk

The Company exposure to credit risk arises from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company, as and when they fall due. The Company manages this risk by monitoring credit periods and limiting the aggregate financial exposure to any individual counterparty.

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition.

In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook that is available without undue cost or effort.

In particular, the Company considers the following information when assessing whether credit risk has increased significantly since initial recognition:

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

14 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk factors (Continued)

(b) Credit risk (Continued)

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument; and
- an actual or expected significant deterioration in the operating results/of the debtor.

There is no other class of financial assets that is past due and/or impaired.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Company also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

(i) Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

(ii) Other financial assets at amortised cost

Other financial assets at amortised costs include other receivables and cash and cash equivalents.

Credit risk exposure in relation to other financial assets at amortised costs as at 31 March 2019 is insignificant, and accordingly no credit loss allowance is recognised as at 31 March 2019.

(c) Liquidity risk

The Company manage the liquidity risk by maintaining sufficient cash to meet their normal operating commitments.

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

14 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk factors (Continued)

(d) Financial instruments by category

The aggregate carrying amounts of financial asset and financial liabilities at amortised cost are as follows:

	2019	2018
	\$	\$
Financial assets, at amortised cost	6,890,091	69
Financial liabilities, at amortised cost	17,268	191,717

(e) Fair value measurements

The carrying values of financial assets and liabilities approximate to their fair values.

15 CAPITAL MANAGEMENT

The capital structure of the Company consists of debt, which includes the borrowings, cash and cash equivalents and equity comprising issued capital and accumulated losses.

The Company's objectives when managing capital are

- (i) to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.
- (ii) to provide and adequate return to shareholders by pricing products and services commensurately with the level of risk.

In order to maintain or achieve an optimal capital structure so as to maximise stakeholder value, the Company may make adjustments to the capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Company does not need to comply with any externally imposed capital requirements for the financial years ended 31 March 2019 and 31 March 2018. The Company's overall strategy to capital management remains unchanged from 31 March 2018. The Company will continue to be guided by prudent financial policies of which gearing is an important aspect.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

15 CAPITAL MANAGEMENT (Continued)

Disclosure on quantitative data about what the Company manages as capital, is based on information provided internally to key management personnel and is summarised as follows:

	2019	2018
	\$	\$
Total other payables and borrowings	17,268	191,717
(Less): Cash and cash equivalents	(1)	(1)
Net debt	17,267	191,716
Total equity	6,872,823	20,826,422
Total capital	6,890,090	21,018,138
Gearing ratio	0.25%	0.91%

Consistently with others in the industry, the Company may monitor capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital.

Net debt is calculated as total trade and other payables and bank borrowings less cash and cash equivalents. Total capital is calculated as total equity, as shown in the statement of financial position, plus net debt.

16 AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Director of Punj Lloyd Aviation Pte. Ltd. on the same date as indicated on the director's statement.