

**INDIA AVIATION TRAINING INSTITUTE
PRIVATE LIMITED
FINANCIALS 2014-15**

Certified True Copy

For India Aviation Training Institute Pvt. Ltd.

Authorised Signatories



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF INDIA AVIATION TRAINING INSTITUTE PRIVATE LTD

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **INDIA AVIATION TRAINING INSTITUTE PRIVATE LTD.**, ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

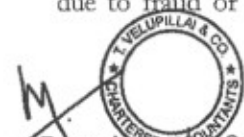
Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial



control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matter in the financial statements which indicates that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net loss of ₹26,97,238 during the current year and ₹11,745 for the previous year. Further the Company's current liabilities exceeded its current assets as at the balance sheet date. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the Note 1 of the financial statement.

Our Opinion is not modified in respect of this matter.

Report on other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in paragraphs 3 & 4 as required by the Companies (Auditor's Report) Order, 2015 (the order), issued by the Ministry of Corporate Affairs, in terms of Section 143 of the Companies Act, 2013, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the company.
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 purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, the 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 the 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 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report and to our 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 including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For T.VELUPILLAI & CO
Chartered Accountants
FRN: (004592S)




M S Ram
Partner
Membership No: (26687)

Bangalore
Date: 06/06/2015

Balance Sheet

	Note	As at 31st March 2015 ₹	As at 31st March 2014 ₹
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	4	100,000	100,000
Reserves and surplus	5	(2,937,683)	(240,445)
		<u>(2,837,683)</u>	<u>(140,445)</u>
NON-CURRENT LIABILITIES			
Other long term liabilities	6	2,781,812	2,807,647
		<u>2,781,812</u>	<u>2,807,647</u>
CURRENT LIABILITIES			
Trade payables	7	55,871	44,635
		<u>55,871</u>	<u>44,635</u>
TOTAL ASSETS		<u>-</u>	<u>2,711,837</u>
NON-CURRENT ASSETS			
Fixed assets			
Capital work-in progress		-	2,711,837
		<u>-</u>	<u>2,711,837</u>
CURRENT ASSETS			
		-	-
		<u>-</u>	<u>-</u>
TOTAL		<u>-</u>	<u>2,711,837</u>

Summary of significant accounting policies and other explanatory information.

1-10

The notes referred to above form an integral part of the financial statements.
This is the Balance Sheet referred to in our report of even date.

As per our report attached
for T. Velupillai & Co.

Chartered Accountants

Firm's Registration Number : (004592S)

M S Ram



M S Ram
Partner

Membership Number: 026687

N.K. Vijaya Raghavan

N.K. Vijaya Raghavan
Director

DIN:05277512

G. Koteswar

G. Koteswar
Director

DIN:07121503

Bangalore

Date:06/06/2015

For India Aviation Training Institute Pvt. Ltd.

[Signature]
Authorised Signatories

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Statement of Profit and Loss

INCOME

Other income

TOTAL REVENUE

EXPENSES

Other expenses

EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)

Finance Cost

Depreciation and Amortisation

TOTAL EXPENSES

PROFIT BEFORE TAX

Tax expense

(a) Current tax

(b) Deferred tax

PROFIT/(LOSS) FOR THE PERIOD

Earnings/(Loss) per equity share:

Basic & Diluted (Par value ₹ 10)

Note	Year Ended	Year Ended
	31st March 2015	31st March 2014
	₹	₹
8	25,835	-
	<u>25,835</u>	<u>-</u>
9	2,723,073	11,745
	<u>(2,697,238)</u>	<u>(11,745)</u>
	<u>2,723,073</u>	<u>11,745</u>
	<u>(2,697,238)</u>	<u>(11,745)</u>
	<u>2,723,073</u>	<u>11,745</u>
	<u>(2,697,238)</u>	<u>(11,745)</u>
	<u>2,723,073</u>	<u>11,745</u>
	<u>(2,697,238)</u>	<u>(11,745)</u>
10	(269.72)	(1.17)

The notes referred to above form an integral part of the financial statements.
This is the Statement of Profit & Loss referred to in our report of even date.

As per our report attached

for T. Velupillai & Co.

Chartered Accountants

Firm's Registration Number: (004592S)

M S Ram

M S Ram

Partner

Membership Number: 026687



N.K. Vijaya Raghavan

N.K. Vijaya Raghavan

Director

DIN:05277512

F. Koteswar

F. Koteswar

Director

DIN:07121503

Bangalore

Date:06/06/2015

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For India Aviation Training Institute Pvt. Ltd.

[Signature]
Authorised Signatories

Cash Flow Statement

	Year ended 31st March 2015	Year ended 31st March 2014
	₹	₹
A-CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before taxation after prior period items	(2,697,238)	(11,745)
Adjustments to Reconcile profit before tax to cash provided by operating activities		
Depreciation/amortization	-	-
Interest income	-	-
Interest Paid	-	-
Profit from sale of investments	-	-
Operating profit before working capital changes	(2,697,238)	(11,745)
Movements in working capital		
(Increase)/Decrease in Sundry debtors	-	-
(Increase)/Decrease in Loans and advances	-	-
(Increase)/Decrease in Capital work in progress	2,711,837	-
Increase/(Decrease) in Trade payables	11,236	11,236
Increase/(Decrease) in Other long term liabilities	(25,835)	509
Cash generated from operating activities	-	-
Direct taxes paid	-	-
Net Cash generated from Operating Activities	-	-
B-CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	-
Interest received	-	-
Net Cash provided by/(used in) Investing Activities	-	-
C-CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share capital	-	-
Interest on Borrowings	-	-
Proceeds from short term borrowings-exchange gain	-	-
Net Cash used in Financing Activities	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR	-	-
CASH AND CASH EQUIVALENT AT THE YEAR END	-	-

The notes referred to above form an integral part of the financial statements.
This is the Cash Flow Statement referred to in our report of even date.

As per our report attached
for T. Velupillai & Co.
Chartered Accountants
Firm's Registration Number 004592S

M S Ram
Partner
Membership Number: 026687



N.K. Vijaya Raghavan
Director
DIN:05277512

G. Koteswar
Director
DIN:07121503

Bangalore
Date:06/06/2015

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For India Aviation Training Institute Pvt. Ltd.

[Signature]
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Notes to the financial statements for the year ended 31.3.2015 (Cont'd)

1 BACKGROUND

The Company was incorporated under the provisions of the Companies Act, 1956 ('the Act') on 20 August, 2007. The Company was established for providing aviation related training solutions. Aviation training project initiated in Gondia, Orissa, could not be completed. However Company has plans to initiate other activities as part of overall corporate restructuring plan.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements:

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') and comply with the mandatory Accounting Standards ('AS') prescribed by Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 2013. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year unless otherwise stated.

2.2 Use of estimates:

The preparation of financial statements is in conformity with generally accepted accounting principles, which requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Significant estimates used by management in the preparation of these financial statements include the estimates of the economic useful lives of the fixed assets, provisions for bad and doubtful trade receivables, employee benefits, and estimation of revenue and project completion. Any revisions to accounting estimates are recognized prospectively.

2.3 Foreign Currency Transactions:

Transactions in foreign currencies are recognized at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities in foreign currency on the balance sheet date are converted at the exchange rates prevailing on that date and gains/losses are adjusted in the profit and loss account.

2.4 Revenue Recognition:

Income is recognized as per accrual basis of accounting.

2.5 Investments:

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the long-term investments



Notes to the financial statements for the year ended 31.3.2015 (Cont'd)

3 NOTES ON ACCOUNTS

3.1 Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.2 Deferred Tax:

Deferred tax charge or credit reflects the tax effect of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

3.3 Leases:

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

3.4 Related Party Disclosure:

The list of related parties are as follows:

<u>Nature of Relationship</u>	<u>Name of Party</u>
Holding Company	Indian Aero Ventures Private Limited
Subsidiary and Fellow Subsidiary Company	Jupiter Aviation Services Private limited AXISCADES Aerospace & Technologies Pvt Ltd. (Formerly known as Axiscades Aerospace & Technologies Ltd)

Related Party Transactions- Other long term liabilities

in ₹

Name of the Party	Balance as at 01/04/2014	Transactions during the year		Balance as at 31/03/2015
		Debit	Credit	
Indian Aero Ventures Private	2,781,812	Nil	Nil	2,781,812
Jupiter Aviation Services Private limited	23,796	23,796	Nil	Nil
AXISCADES Aerospace & Technologies Pvt Ltd.	2,039	2,039	Nil	Nil
Total	2,807,647	25,835	0	2,781,812



India Aviation Training Institute Pvt Ltd

Notes to the financial statements for the year ended 31.3.2015 (Cont'd)

- 3.5 There are no micros, small and medium enterprises to which the company owes any sum which are outstanding for more than 45 days as at the balance sheet date. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available to the company and the auditors have relied upon the same.
- 3.6 Aviation training project initiated in Gondia, Orissa, could not be completed. Hence, Company has written off project expenses of ₹ 27,11,837/- during the year.
- 3.7 Figures are rounded off to the nearest rupee wherever necessary.
- 3.8 Previous year figures have been reclassified /regrouped wherever necessary to confirm with current year figures.



Notes to the financial statements for the year ended 31.3.2015 (Cont'd)

4 SHARE CAPITAL

	As at 31st March 2015		As at 31st March 2014	
	Number	₹	Number	₹
Equity share capital				
Authorized				
Equity shares of ₹ 10 each	1,000,000	10,000,000	1,000,000	10,000,000
	<u>1,000,000</u>	<u>10,000,000</u>	<u>1,000,000</u>	<u>10,000,000</u>
Issued, Subscribed and paid up				
Equity shares of ₹ 10 each, fully paid up	10,000	100,000	10,000	100,000
	<u>10,000</u>	<u>100,000</u>	<u>10,000</u>	<u>100,000</u>
Total equity share capital				
	<u>10,000</u>	<u>100,000</u>	<u>10,000</u>	<u>100,000</u>

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

	As at 31st March 2015		As at 31st March 2014	
	Number	₹	Number	₹
At the beginning of the period	10,000	100,000	10,000	100,000
Issued during the period				
Outstanding at the end of the period	<u>10,000</u>	<u>100,000</u>	<u>10,000</u>	<u>100,000</u>

(b) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at 31st March 2015		As at 31st March 2014	
	Number	₹	Number	₹
Indian Aero Ventures Private Ltd.	9,900	99,000	9,900	99,000
	<u>9,900</u>	<u>99,000</u>	<u>9,900</u>	<u>99,000</u>

(c) Details of shareholders holding more than 5% shares in the company

	As at 31st March 2015		As at 31st March 2014	
	Number	Percentage	Number	Percentage
Indian Aero Ventures Private Ltd.	9,900	99%	9,900	99%
	<u>9,900</u>	<u>99%</u>	<u>9,900</u>	<u>99%</u>



Notes to the financial statements for the year ended 31.3.2015 (Cont'd)

5 RESERVES AND SURPLUS	As at 31st March 2015 ₹	As at 31st March 2014 ₹
Reserves		
Share Premium Account	-	-
Surplus		
Balance as per the last financial statements	(240,445)	(228,700)
Add:-		
Profit/(Loss) for the year	(2,697,238)	(11,745)
Less:-		
Closing Surplus i.e., Balance in Statement of Profit and Loss	<u>(2,937,683)</u>	<u>(240,445)</u>
Total reserves and surplus	<u>(2,937,683)</u>	<u>(240,445)</u>
6 OTHER LONG TERM LIABILITIES	As at 31st March 2015 ₹	As at 31st March 2014 ₹
Others		
Loans and Advances from Related Parties(refer note 3.4)	2,781,812	2,807,647
Total other long term liabilities	<u>2,781,812</u>	<u>2,807,647</u>
7 TRADE PAYABLES	As at 31st March 2015 ₹	As at 31st March 2014 ₹
Trade Payables	55,871	44,635
Total trade payables	<u>55,871</u>	<u>44,635</u>



Notes to the financial statements for the year ended 31.3.2015 (Cont'd)

8 OTHER INCOME	Year Ended 31st March 2015 ₹	Year Ended 31st March 2014 ₹
Liabilities no longer payable written back	25,835	-
	<u>25,835</u>	<u>-</u>
9 OTHER EXPENSES	Year Ended 31st March 2015 ₹	Year Ended 31st March 2014 ₹
Rates & taxes	-	509
Project Expenses Written Off(refer note 3.6)	2,711,837	-
	<u>2,711,837</u>	<u>509</u>
Payment to Auditors		
As auditor:		
Statutory Audit Fees(refer note below)	11,236	11,236
	<u>11,236</u>	<u>11,236</u>
Total other expenses	<u>2,723,073</u>	<u>11,745</u>
Notes		
Statutory audit fees	10,000	10,000
Service tax	1,236	1,236
	<u>11,236</u>	<u>11,236</u>

10 EARNINGS/(LOSS) PER SHARE (EPS)	Year Ended 31st March 2015	Year Ended 31st March 2014
(a) Profit after tax attributable to equity shares (in ₹)	(2,697,238)	(11,745)
(b) Weighted average number of shares outstanding	10,000	10,000
(c) Nominal value of shares (in ₹)	10	10
(d) Basic and diluted earning/(loss) per share (in ₹)	(269.72)	(1.17)

The notes referred to above form an integral part of the financial statements.

As per our report attached

for T. Velupillai & Co.

Chartered Accountants

Firm's Registration Number: (004592S)

M S Ram

Partner

Membership Number: 026687



N.K. Vijaya Raghavan

Director

DIN:05277512

G. Koteswar

Director

DIN:07121503

Bangalore

Date:06/06/2015