



SHARMA GOEL & CO. LLP
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To

The Members of AERO ELECTRONICS PRIVATE LIMITED

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of AERO ELECTRONICS PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss, and the Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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 profit, , changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules 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..



MOBILE : +91-9811078005, E-mail : amar.mittal@sharmagoel.in
FIRM REGISTRATION NO. 000643NIN500012

A-47, LOWER GROUND FLOOR
HAUZ KHAS, NEW DELHI-110016
TEL. : +91-11-41655400

C-43, SECTOR-8
NOIDA-201301
TEL. : +91-0120-4049100



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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 ("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, changes in equity and cash flows of the Company including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting 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 thereunder and the Order issued under section 143(11) of the Act.

Report on Other Legal and Regulatory Requirements

1. The provisions of sub section (11) of section 143 of the Act regarding the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India are not applicable to the Company.

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2. As required by Section 143(3) of the Act, based on our audit we report that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) the Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

e) on the basis of the written representations received from the directors of the Company 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) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



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iv. With respect to the matter to be included in the auditors' report under section 197(16), in our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the current year. Hence, the provision with respect to limit laid down under section 197 of the Act is not applicable to the Company. The MCA has not prescribed other details under section 197(16) which are required to be commented upon by us.

For SHARMA GOEL & CO. LLP,
Chartered Accountants

(FRNo. 000643N)



SANJEEV MITLA

Partner

(Membership No. 086441)

UDIN: 20086441AAAAA08193 .

New Delhi, June 5, 2020

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Aero Electronics Private Limited
Standalone Balance Sheet as at 31 March 2020

As at	Note	31 March 2020	31 March 2019
I. ASSETS			
(1) Non-current assets			
(a) Tangible Assets	4	5,50,000	3,92,22,410
(b) Right of use assets	5	3,86,72,410	-
Total non-current assets		3,92,22,410	3,92,22,410
(2) Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	6	45,383	22,355
Total current assets		45,383	22,355
Total assets		3,92,67,793	3,92,44,765
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	7	1,00,000	1,00,000
(b) Other equity	8	(14,57,118)	(13,37,869)
Equity attributable to equity holders of the parent		(13,57,118)	(12,37,869)
Non-controlling interests		-	-
Total equity		(13,57,118)	(12,37,869)
Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	9	4,05,91,263	4,04,60,995
(ii) Trade payables	10	11,800	-
(b) Other current liabilities	11	10,048	9,839
(c) Provisions	12	11,800	11,800
Total Current liabilities		4,06,24,911	4,04,82,634
Total liabilities		4,06,24,911	4,04,82,634
Total equity and liabilities		3,92,67,793	3,92,44,765
Significant accounting policies	3		

See accompanying notes to consolidated financial statements

As per our even date attached

For SHARMA GOEL & CO. LLP.,
Chartered Accountants
Firm Registration No. 100041N

Sanjeev Mittal
Partner
Membership Number: 086441

UDIN: 20086441AAAA08193

Place: New Delhi
Date: 05 June 2020

for and on behalf of the Board of Directors of
For AERO ELECTRONICS PVT. LTD.

Anees Ahmed
Director
DIN: 00225648

Place: Bengaluru
Date: 05 June 2020

Rajeev Ramachandra
Director
DIN: 00178796

Aero Electronics Private Limited
Statement of Profit and Loss for the period ended 31 March 2020

	Note	31 March 2020	31 March 2019
For the period ended			
I. Revenue			
Revenue from operations		-	-
II. Other income			
III. Total Income (I+II)			
IV. Expenses			
Cost of materials consumed		-	-
Excise duty		-	-
Purchase of stock-in-trade		-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress		-	-
Employee benefits expense	13	1,00,477	98,388
Finance costs		-	-
Depreciation and amortisation expense		-	-
Other expenses	14	18,772	16,836
Total Expenses		1,19,249	1,15,224
V. Profit (III-IV)		(1,19,249)	(1,15,224)
VI. Tax expense			
(i) Current tax		-	-
(ii) Deferred Tax		-	-
VII. Profit for the period (V-VI)		(1,19,249)	(1,15,224)
VIII. Other comprehensive income			
<i>Items that will not be reclassified subsequently to statement of profit or</i>			
<i>Remeasurements of the net defined benefit liability / asset</i>			
<i>Income tax relating to items not to be reclassified subsequently to</i>			
<i>statement of profit or loss</i>			
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Foreign currency translation reserve		-	-
Other comprehensive income, net of tax			
XI. Total comprehensive income for the year (VII+VIII)		(1,19,249)	(1,15,224)
Profit attributable to:			
Owners of the company		(1,19,249)	-1,15,224
Non-controlling interest		-	-
Profit for the period		(1,19,249)	(1,15,224)
Other comprehensive income attributable to:			
Owners of the Company		-	-
Non controlling interests, if any		-	-
Other comprehensive income for the year			
Total comprehensive income attributable to:			
Owners of the company		(1,19,249)	(1,15,224)
Non controlling interests		-	-
Total comprehensive income for the year		(1,19,249)	(1,15,224)
Earnings per share (nominal value of Rs 5 each)			
Attributable to equity holders of the Company			
Basic [in Rs]		(1.19)	(1.15)
Diluted [in Rs]		-	-
Weighted average number of equity shares used in computing earning per share			
-Basic			
-Diluted			

Significant accounting policies

See accompanying notes to consolidated financial statements
As per our report of even date attached

For SHARMA GOEL & CO. LLP.,
Chartered Accountants
Firm Registration No. 086441

Sanjeev Mittal
Partner
Membership Number: 086441

UDIN : 20086441AAAA08193

for and on behalf of the Board of Directors of
For AERO ELECTRONICS PVT. LTD.

Anees Ahmed
Director
DIN: 00225648

Rajeev Ramachandra
Director
DIN: 00178796

Place: New Delhi
Date: 05 June 2020

Place: Bengaluru
Date: 05 June 2020

Aero Electronics Private Limited
Statement of changes in equity

Particulars	Equity share capital	Retained earnings	Total equity attributable to equity holders of the Company
Balance as at 1 April 2018	1,00,000	(12,22,645)	(11,22,645)
Profit for the year	-	(1,15,224)	(1,15,224)
Balance as at 31 March 2019	1,00,000	(13,37,869)	(12,37,869)
Profit for the year	-	(1,19,249)	(1,19,249)
Balance as at 31 March 2020	1,00,000	(14,57,118)	(13,57,118)

See accompanying notes to standalone financial statements
As per our report of even date attached

For SHARMA GOEL & CO. LLP.,
Chartered Accountants
Firm Registration No. 000643N

Sanjeev Mittal
Partner
Membership Number: 086441

UDIN: 20086441AAAA08193

Place: New Delhi
Date: 05 June 2020

for and on behalf of the Board of Directors of
For AERO ELECTRONICS PVT. LTD.

Anees Ahmed
Director
DIN: 00225648

Rajeev Ramachandra
Director
DIN: 00178796

Place: Bengaluru
Date: 05 June 2020

Aero Electronics Private Limited
Statement of cash flow

Amount in Rs.

For the year ended	31 March 2020	31 March 2019
Cash flow from operating activities		
Profit before tax	(1,19,249)	(1,15,224)
<u>Adjustments for:</u>		
Finance cost	1,00,477	98,388
	(18,772)	(16,836)
<u>Changes in:</u>		
Liabilities and provisions	1,42,277	98,388
Cash generated from operations	1,23,505	81,552
Income tax paid, net of refund	-	-
Net cash from operating activities	1,23,505	81,552
Cash flow from investing activities		
Acquisition of property, plant and equipment	-	-
Net cash provided used in investing activities	-	-
Cash flow from financing activities		
Interest paid	(1,00,477)	(98,388)
Net cash used in financing activities	(1,00,477)	(98,388)
Net change in cash and cash equivalents	23,028	(16,836)
Cash and cash equivalents at the beginning of the year	22,355	39,191
Cash and cash equivalents at the end of the year	45,383	22,355

Significant accounting policies (refer note 1)

See accompanying notes to financial statements

For SHARMA GOEL & CO. LLP.,

Chartered Accountants

Firm Registration No. 1000003N



Sanjeev Mitla

Partner

Membership Number: 086441

UDIN: 20086441AAAAA08193

Place: New Delhi

Date: 05 June 2020

for and on the behalf of Board of Directors of
For AERO ELECTRONICS PVT. LTD.

Anees Ahmed

Director

DIN: 00225648

Rajeev Ramachandra

Director

DIN: 00178796

Place: Bengaluru

Date: 05 June 2020

Aero Electronics Private Limited
Notes to standalone financial statements

1 Reporting Entity

Aero Electronics Private Limited (the 'Company') is a company domiciled in India, with its registered office situated at Bangalore. The Company was incorporated on 8th December 2010 under the provisions of the Indian Companies Act.

2 Basis of preparation

A. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Details of the Group's accounting policies are included in Note 3

B. Functional and presentation currency

The financial statements are presented in Indian Rupees, which is also the Company's functional currency.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities	Fair Value

D. Use of estimates and judgements

In preparing the financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in these consolidated financial statements is included in the following notes:

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 is included in the following notes:

- Note 4 - useful life of property, plant and equipment;

E. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 15 - financial instruments



3 Significant accounting policies

(a) Leases

The Group has applied Ind AS 116, "Leases" from 1 April 2019 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in the retained earnings as at April 1, 2019. Accordingly, the comparative information presented for March 31, 2019 is not restated i.e. it is presented, as previously reported. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange of consideration.

As a Lessee

The Group applies a single recognition and measurement approach for all leases except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease i.e. the date the underlying assets is available for use. Right-of-use assets are measured at cost less accumulated depreciation. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial cost incurred, and lease payments made at or before the commencement date. Right-of-use assets are depreciated on a straight-line basis over the lease term.

b) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payment which is expected to be paid over the tenure of the lease contract. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying assets.

c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term lease contracts (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on a short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases.

(b) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment, are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(c) Financial instruments

i. Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

ii. Classification and subsequent measurement

Financial Assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income



Aero Electronics Private Limited
Notes to standalone financial statements

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby the transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the Statement of Profit and Loss.

iv Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

(d) Income Tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment, which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the Statement of Profit and Loss.

(f) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

(g) Earnings per share

Basic Earnings Per Share ("EPS") is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

(h) Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.



4. Fixed assets

Amounts in Rs.

Descriptions	Gross block			Accumulated depreciation			Net block		
	As at 1 April 2019	Additions	Disposals	As at 31 Mar 2020	As at 1 April 2019	Additions	Disposals	As at 31 Mar 2020	As at 31 Mar 2020
Leased assets									
Leasehold Improvement	5,50,000	-	-	5,50,000	-	-	-	-	5,50,000
	5,50,000	-	-	5,50,000	-	-	-	-	5,50,000
Descriptions	Gross block			Accumulated depreciation			Net block		
	As at 1 April 2018	Additions	Disposals	As at 31 Mar 2019	As at 1 April 2018	Additions	Disposals	As at 31 Mar 2019	As at 31 Mar 2019
Leased assets									
Leasehold land	3,86,72,410	-	-	3,86,72,410	-	-	-	-	3,86,72,410
Leasehold Improvement	5,50,000	-	-	5,50,000	-	-	-	-	5,50,000
	3,92,22,410	-	-	3,92,22,410	-	-	-	-	3,92,22,410



Aero Electronics Private Limited
Notes on standalone financial statements

5. Right of use assets

Amounts in Rs.

Particulars		As at March 31, 2020
<i>Owned assets</i>		
Leasehold Land		
As at April 1, 2019	3,86,72,410	3,86,72,410
Transition impact of IndAS 116	-	-
Additions	-	-
Disposals	-	-
As at March 31, 2020	3,86,72,410	3,86,72,410
Accumulated amortisation		
As at April 1, 2019	-	-
Transition impact of IndAS 116	-	-
Additions	-	-
Disposals	-	-
Net carrying value	3,86,72,410	3,86,72,410

*Also refer note 16.



Aero Electronics Private Limited
Notes on standalone financial statements

Amount in Rupees

As at	31 March 2020	31 March 2019
Note 6 - Cash and bank balances		
<i>Cash and cash equivalents</i>		
- Current accounts	45,383	22,355
	<u>45,383</u>	<u>22,355</u>

As at	31 March 2020	31 March 2019
Note 7 - Share capital		
Authorised		
Equity shares	1,00,000	1,00,000
[20,000 equity shares of Rs 5/- each (31 March 2019: 20,000 equity shares of Rs 5/- each)]		
Issued, subscribed and paid up		
Equity shares fully paid up	1,00,000	1,00,000
[20,000 equity shares of Rs 5/- each (31 March 2019: 20,000 equity shares of Rs 5/- each)]		
	<u>1,00,000</u>	<u>1,00,000</u>

Notes:

- a) Shares in respect of equity in the Company held by its holding Company and subsidiaries of holding company in aggregate

	31 March 2020		31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Holding Company				
Mistral Solutions Private Limited	20,000	1,00,000	20,000	1,00,000
	<u>20,000</u>	<u>1,00,000</u>	<u>20,000</u>	<u>1,00,000</u>

- b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year:

	31 March 2020		31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	-	20,000	20,000	1,00,000
Issued during the year	-	-	-	-
Closing balance at the end of the reporting year	-	<u>20,000</u>	<u>20,000</u>	<u>1,00,000</u>

- c) Details of shareholders' holding more than 5% of the total number of equity shares

	31 March 2020		31 March 2019	
	Number of shares	% holding	Number of shares	% holding
Holding Company				
Mistral Solutions Private Limited	20,000	100%	20,000	100%
	<u>20,000</u>	<u>100%</u>	<u>20,000</u>	<u>100%</u>

- d) Rights, preferences and restrictions attached to equity shares

- The Company has only one class of shares referred to as equity shares having a par value of Rs 5/- each

-Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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



Note 8 - Other Equity

	Capital redemption reserve	Securities premium	Share options outstanding account	Foreign currency translation reserve	General reserve	Retained earnings	Total
Balance as at 01 April 2018	-	-	-	-	-	(12,22,645)	(12,22,645)
Additions							
Net profit after tax transferred from the statement of profit or loss						(1,15,224)	(1,15,224)
Balance as at 31 March 2019	-	-	-	-	-	(13,37,869)	(13,37,869)
Balance as at 01 April 2019	-	-	-	-	-	(13,37,869)	(13,37,869)
Additions							
Net profit after tax transferred from the statement of profit or loss						(1,19,249)	(1,19,249)
Balance as at 31 March 2020	-	-	-	-	-	(14,57,118)	(14,57,118)

As at	31 March 2020	31 March 2019
Note 9 - Borrowings		
Mistral Solutions Pvt Ltd - Tax Co	4,05,91,263	4,04,60,995
	4,05,91,263	4,04,60,995
Note 10 - Trade payables		
Total outstanding dues of micro and small enterprises	11,800	-
Total outstanding dues of other than micro and small enterprises	11,800	-
Note 11 - Other current liabilities		
Duties and taxes payable	10,048	9,839
	10,048	9,839
Note 12 - Provisions		
Provision for expenses	11,800	11,800
	11,800	11,800
For the period ended	31 March 2020	31 March 2019
Note 13 - Finance costs		
Interest expense	1,00,477	98,388
	1,00,477	98,388
Note 14 - Other expenses		
Rates and taxes	-	300
Bank Charges	472	236
Professional Fees	6,500	4,500
Audit Fees	11,800	11,800
	18,772	16,836

Long Term borrowings include an amount of Rs. 40,591,263/- (Previous year Rs. 40,460,995/-) advanced by M/s. Mistral Solutions Private Limited, the holding company. Mistral Solutions Private Limited, the holding company This amount is to be secured by the land to be purchased by utilizing this advance Presently the amount is unsecured This amount is repayable within 2 working days from the date of demand by the holding company During the year, the company has borrowed additional loan of Rs.130,268/- (Previous year Rs.100,200/-) from its parent company M/s. Mistral Solutions Private Limited with an interest at the rate of 9.00% per annum.

Note 15 - The Company's net worth is negative, however, having regard to available asset base and financial support from its holding company the financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.



Aero Electronics Private Limited
Notes on standalone financial statements

16 Leases

The company has applied Ind AS 116 with the date of initial application of April 1, 2019. As a result, the company has changed its accounting policy for lease contracts as detailed below.

16.1 Amounts recognised in balance sheet

Particulars	Note	As at March 31, 2020
(i) Right-of-use assets	4	
Leaschold land		3,86,72,410
		<u>3,86,72,410</u>

16.2 Amounts recognised in the statement of profit and loss is Nil

16.3 The impact on the statement of profit and loss for the year ended March 31, 2020 is Nil

Impact of COVID 19 (Global pandemic):

The Company does not foresee any large-scale contraction in demand which could result in significant downsizing of its boutiques and related employee base rendering the sales and allied function. The leases that the Company has entered with lessors are majorly towards properties used as boutique, offices etc. which are long term in nature and no material changes in terms of those leases are expected due to the COVID-19.



Note 17 - Financial instruments - fair values and risk management

Amount in Rupees

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2020, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount				Fair value				
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value										
Cash and cash equivalents	13	-	-	45,383	-	45,383				
		-	-	45,383	-	45,383				
Financial liabilities not measured at fair value										
Borrowings		-	-	-	4,05,91,263	4,05,91,263				
Trade payables	19	-	-	-	11,800	11,800				
Provision for Expenses	20	-	-	-	11,800	11,800				
Other financial liabilities	20	-	-	-	10,048	10,048				
		-	-	-	4,06,24,911	4,06,24,911				

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2019, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount				Fair value				
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value										
Cash and cash equivalents		-	-	22,355	-	22,355				
		-	-	22,355	-	22,355				
Financial liabilities not measured at fair value										
Borrowings		-	-	-	4,04,60,995	4,04,60,995				
Trade payables		-	-	-	-	-				
Provision for Expenses		-	-	-	11,800	11,800				
Other financial liabilities		-	-	-	9,839	9,839				
		-	-	-	4,04,82,634	4,04,82,634				

