



To The Members of M/s. Axiscades Aerospace Infrastructure Private Limited

Report on the standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **M/s. Axiscades Aerospace Infrastructure Private Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, 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 significant accounting policies and other explanatory

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, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Responsibility of Management 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 in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of the Financial Statements

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

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.

a. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of

d. In our opinion, the aforesaid standalone 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 the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f. By virtue of MCA General circular No.08/2017 and notifications GSR 583(E) and GSR 464(E), the requirements of reporting on existence and effectiveness of Internal Financial controls over Financial Reporting of the Company are not applicable to the Company.



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

1. The Company has disclosed the impact of pending litigations, if any, on its financial position in its financial
2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for **MKUK & ASSOCIATES.**
Chartered Accountants
Firm's registration number: 050113S



Anto Joseph
Proprietor

Membership number: 203958



Bangalore
Date: 07.05.2019

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2019, we report that:

- 1.(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As informed by the management, the company has conducted physical verification of any of its fixed assets at all locations and the process of reconciliation with books of account is in progress.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. As the company does not have any inventory during the year under audit, need for commenting on the same does not arise.
3. The company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 189 of companies act, 2013. Accordingly the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made and guarantees given by it after the commencement of Companies Act 2013.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company.
6. According to the information and explanations provided by the management, the company is not engaged in production, processing, manufacturing or mining activities. Hence, the provisions of Sub section (1) of Section 148 do not apply to the company. Hence, in our opinion, no comment on maintenance of cost records under Sub section (1) of Section 148 is required.
7. (a) According to the records of the Company and information and explanation given to us, the Company is generally regular in remittance of undisputed statutory dues including Income Tax Deducted at Source, Service tax and other statutory dues with the appropriate authorities during the year.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty were outstanding, as at 31st March 2019, for a period more than six



months from the date of they become payable. According to the records of the company, there are no dues of Income Tax, Sales tax, Wealth Tax, Customs Duty, Excise Duty and cess, which have not been deposited on account of any dispute.

8. As per information given to us by the management, the company has not taken any loans or borrowed any amount from financial institutions, banks, government or from debenture holders. Accordingly provisions of paragraph 3(viii) of the order not applicable.
9. According to the records of the company and the information and explanations provided by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
10. According to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanation given to us, no managerial remuneration has been paid or provided during the year. Therefore provision of Section 197 read with schedule 5 to the Companies Act, 2013 does not applicable
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **MKUK & ASSOCIATES.**
Chartered Accountants
Firm's registration number: 050113S


Anto Joseph
Proprietor
Membership number: 203958



Bangalore
Date: 07.05.2019

AXISCADES Aerospace Infrastructure Private Limited
(Formerly known as Jupiter Aviation Services Private Limited)
CIN:U85110KA2000PTC028009
Balance Sheet as at 31 March 2019
(All amounts in ₹ lakhs, unless otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	4,976.09	4,894.39
Capital work-in-progress	4	-	45.00
Financial assets			
Investments	5	1,203.00	1,203.00
Non-current tax asset, net	6	97.26	97.26
Other non-current assets	7	1,985.03	1,965.69
		8,261.37	8,205.34
Current assets			
Financial assets			
Cash and cash equivalents	8	0.81	10.60
Other current assets	7	7.88	-
		8.69	10.60
TOTAL ASSETS		8,270.07	8,215.95
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	417.25	417.25
Other equity	10	7,473.21	7,619.31
		7,890.46	8,036.57
Non-current liabilities			
Financial Liabilities			
Borrowings	11	333.82	162.31
		333.82	162.31
Current liabilities			
Financial liabilities			
Trade payables	12	10.94	14.98
Other current liabilities	13	34.85	2.09
		45.79	17.07
TOTAL EQUITY AND LIABILITIES		8,270.07	8,215.95

See accompanying notes (1-24) forming part of these financials statements.

This is the Balance Sheet referred to in our report of even date.

For **MKUK & Associates**
Chartered Accountants
ICAI Registration number: 050113S

per **Anto Joseph**
Proprietor
Membership No: 203958

Bengaluru
07th May 2019



For and on behalf of the Board of Directors of **AXISCADES Aerospace Infrastructure Private Limited**

Sharadhi Chandra Babupampapathy
Director
DIN: 02809502

Bengaluru
07th May 2019

Sreedhar Rao Ellentala
Director
DIN: 00117324

Bengaluru
07th May 2019

AXISCADES Aerospace Infrastructure Private Limited
(Formerly known as Jupiter Aviation Services Private Limited)
CIN:U85110KA2000PTC028009
Statement of Profit and Loss for the year ended 31st March 2019
(All amounts in ₹ lakhs, unless otherwise stated)

	Note	Year ended 31 March 2019	Year ended 31 March 2018
INCOME			
Other income		-	-
TOTAL INCOME		-	-
EXPENSES			
Employee benefits expense	14	-	0.46
Finance Costs	15	32.66	4.80
Other expenses	16	113.43	3.62
TOTAL EXPENSES		146.09	8.88
LOSS BEFORE TAX		(146.09)	(8.88)
Tax Expense:			
Deferred tax credit		-	-
PROFIT AFTER TAX		(146.09)	(8.88)
Total comprehensive income for the year		(146.09)	(8.88)
Loss per share in ₹			
Basic and diluted	18	(3.50)	(0.21)

See accompanying notes (1-24) forming part of these financials statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For MKUK & Associates

Chartered Accountants
ICAI Registration number: 050113S

per **Anto Joseph**
Proprietor
Membership No: 203958

Bengaluru
07th May 2019



For and on behalf of the Board of Directors of AXISCADES Aerospace Infrastructure Private Limited

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Bengaluru
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Sreedhar Rao Ellentala
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Bengaluru
07th May 2019

AXISCADES Aerospace Infrastructure Private Limited
 (Formerly known as Jupiter Aviation Services Private Limited)
 CIN:U85110KA2000PTC028009
Statement of Changes in Equity for the year ended 31st March 2019
 (All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital

Equity shares of ₹ 10 each, fully paid-up

As at 31 March 2018

Add: Issued and subscribed during the year

As at 31 March 2019

	Equity shares	
	Number (in lakhs)	Amount
As at 31 March 2018	41.73	417.25
Add: Issued and subscribed during the year	-	-
As at 31 March 2019	41.73	417.25

B. Other equity

For the year ended 31 March 2019

Add: Premium on issue of equity shares

Balance as at 31 March 2017

Profit for the year

Other Comprehensive Income

Total Comprehensive Income

Balance as at 31 March 2018

Profit for the year

Other Comprehensive Income

Total Comprehensive Income

Balance as at 31 March 2019

	Reserves and Surplus		
	Securities Premium Account	Deficit in the Statement of Profit and Loss	Total
Add: Premium on issue of equity shares	280.25	-	280.25
Balance as at 31 March 2017	6,875.55	752.63	7,645.91
Profit for the year	-	(8.88)	(8.88)
Other Comprehensive Income	-	-	-
Total Comprehensive Income	-	(8.88)	(8.88)
Balance as at 31 March 2018	6,875.55	743.75	7,637.03
Profit for the year	-	(146.09)	(146.09)
Other Comprehensive Income	-	-	-
Total Comprehensive Income	-	(146.09)	(146.09)
Balance as at 31 March 2019	6,875.55	597.65	7,490.93

See accompanying notes (1-24) forming part of these financials statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For MKUK & Associates

Chartered Accountants

ICAI Registration number: 050113S

per Anto Joseph

Proprietor

Membership No: 203958



Bengaluru

07th May 2019

For and on behalf of the Board of Directors of AXISCADES Aerospace Infrastructure Private Limited

Sharadhi Chandra Babupampapathy

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DIN: 02809502

Bengaluru

07th May 2019

Sreedhar Rao Ellentala

Director

DIN: 00117324

Bengaluru

07th May 2019

AXISCADES Aerospace Infrastructure Private Limited
(Formerly known as Jupiter Aviation Services Private Limited)
CIN:U85110KA2000PTC028009
Statement of Cash flows for the year ended 31 March 2019
(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
A Cash flow from operating activities		
Loss before tax	(146.09)	(8.88)
Operating profit before working capital changes	(146.09)	(8.88)
Movements in working capital		
Decrease in other current assets	(7.88)	(8.02)
(Increase) in non current assets	(19.34)	
Increase / (Decrease) in trade payables	(4.04)	5.69
Increase / (Decrease) in liabilities	32.75	-
Cash generated from operating activities	(144.60)	(11.21)
Direct taxes paid (net of refunds)	-	1.95
Net cash generated from operating activities (A)	(144.60)	(9.26)
B Cash flow from investing activities		
Acquisition of Fixed Assets	(36.70)	(144.76)
Net cash used in investment activities (B)	(36.70)	(144.76)
C Cash flow from financing activities		
Proceeds from share allotment	-	-
Proceeds from/(repayment of) borrowings	171.51	162.31
Net cash from financing activities (C)	171.51	162.31
Net (decrease) in cash and cash equivalents (A+B+C)	(9.79)	8.29
Cash and cash equivalents as at beginning of the year	10.60	2.31
Cash and cash equivalents as at end of the year	0.81	10.60

See accompanying notes (1-24) forming part of these financials statements.

This is the Statement of Cash Flows referred to in our report of even date.

For MKUK & Associates
Chartered Accountants
ICAI Registration number: 050113S

per Anto Joseph
Proprietor
Membership No: 203958



Bengaluru
07th May 2019

For and on behalf of the Board of Directors of AXISCADES Aerospace Infrastructure Private Limited

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DIN: 02809502

Bengaluru
07th May 2019

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DIN: 00117324

Bengaluru
07th May 2019

AXISCADES Aerospace Infrastructure Private Limited

(Formerly known as Jupiter Aviation Services Private Limited)

CIN:U85110KA2000PTC028009

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

d) Property, plant and equipment

The company has elected to fair value for all of its property, plant and equipment as at 1 April 2016 and consider the fair value as deemed cost as at the transition date i.e., 1 April 2016.

Property, plant and equipment are stated at deemed cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management. The present value of the expected for the decommissioning of an asset after its use is included in the cost of respective asset if the recognition criteria for a provision are met.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

d) Property, plant and equipment (cont'd)

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

	Useful lives (in years)
Furniture and fixtures *	7
Vehicles *	5

* Based on an internal assessment, the management believes that the useful lives as given above represents the period over which management expects to use the assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.



AXISCADES Aerospace Infrastructure Private Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lakhs, unless otherwise stated)

e) Impairment of property, plant and equipment

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

f) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

g) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance Lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

h) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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.

i) Income taxes (cont'd)

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, 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 assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in OCI or directly in equity.



AXISCADES Aerospace Infrastructure Private Limited

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CIN:U85110KA2000PTC028009

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

j) Provisions and contingencies

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

k) Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- i. Debt instruments at amortised cost;
- ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
- iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
- iv. Equity investments.

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

k) Financial instruments (cont'd)

ii. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.



AXISCADES Aerospace Infrastructure Private Limited

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In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

k) Financial instruments (cont'd)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

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



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l) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

The Company tracks credit risk and changes thereon for each customer. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company uses default rate for credit risk to determine impairment loss allowance on portfolio of its trade receivables

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

m) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

m) Fair value measurement (cont'd)

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

n) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

o) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the engineering design service, which constitutes its single reportable segment.



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(All amounts in ₹ lakhs, unless otherwise stated)

p) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders 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. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.



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(All amounts in ₹ lakhs, unless otherwise stated)

3. Property, plant and equipment

	Leasehold land (refer note 1 below)	Total
Gross block		
Balance as at 31 March 2017	4,794.63	4,794.63
Additions during the year	99.76	99.76
Deletions during the year	-	-
Balance as at 31 March 2018	4,894.39	4,894.39
Additions during the year	81.70	81.70
Deletions during the year	-	-
Balance as at 31 March 2019	4,976.09	4,976.09
Accumulated depreciation		
Balance as at 31 March 2017	-	-
Depreciation charge for the year	-	-
Deletions	-	-
Balance as at 31 March 2018	-	-
Depreciation charge for the year	-	-
Deletions	-	-
Balance as at 31 March 2019	-	-
Net Block		
As at 31 March 2017	4,794.63	4,794.63
As at 31 March 2018	4,894.39	4,894.39
As at 31 March 2019	4,976.09	4,976.09

Note:

1. Leasehold land represents land acquired from Karnataka Industrial Areas Development Board (KIADB) on a lease cum sale basis wherein this land would transfer to the Company after a period of 10 years on the fulfilment of the conditions of the allotment letter. The Company is in the process of following up with the KIADB to execute lease cum sale agreement. The amount paid towards land for which possession has been taken over has been disclosed as lease hold land since KIADB vide letterno KIADB/HO/Allot/18403/8992/2017-18 Dated:12/09/2017 has allotted 20.8 acres of land 'Bengaluru Aerospace Park', for which the Company has paid an advance of ₹ 3757.69 Lakhs. The Company has possession of 10 acres of land, accordingly ₹ 1801.01 Lakhs has been considered as lease hold land and balance of ₹ 1956.68 Lakhs is treated as capital advance which will be adjusted against cost of the remaining 10.8 acres on taking possession thereof. The company is in the process of completing formalities for obtaining the possession of the allotted land.

2. Contractual obligations

There are no contractual commitments for the acquisition of property, plant and equipment.

3. Capitalised borrowing cost

There is no borrowing costs capitalised during the year ended 31 March 2019 and 31 March 2018.

4. Capital work-in-progress

	As at 31 March 2019	As at 31 March 2018
Opening Capital work-in-progress	45.00	-
Additions during the year	-	45.00
Less : Capitalised during the year	45.00	-
Less: Allowance for capital work-in-progress	-	-
	-	45.00



(All amounts in ₹ lakhs, unless otherwise stated)

5 Investments

	As at 31 March 2019	As at 31 March 2018
Trade (unquoted, valued at cost)		
Investment in equity shares of fellow subsidiary (refer note 19):		
Enertec Controls Limited	1,203.00	1,203.00
657,870 (31 March 2018 : 657,870) equity shares		
	<u>1,203.00</u>	<u>1,203.00</u>

6 Non-current tax assets, net

Advance taxes (net of provision for tax: Nil)	97.26	97.26
	<u>97.26</u>	<u>97.26</u>

7 Other assets

	As at 31 March 2019	As at 31 March 2018
Non-current		
Unsecured, considered good		
Balances with revenue authorities	28.45	9.11
Capital advance	1,956.58	1,956.58
	<u>1,985.03</u>	<u>1,965.69</u>
Unsecured, considered doubtful		
Other advances	178.38	178.38
	<u>178.38</u>	<u>178.38</u>
Less: Allowance for doubtful advances	178.38	178.38
	<u>178.38</u>	<u>178.38</u>
	<u>1,985.03</u>	<u>1,965.69</u>
Current		
Unsecured, considered good		
Receivable from related parties (Refer Note 19)	7.88	-
	<u>7.88</u>	<u>-</u>

8 Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Balances with banks:		
- On current accounts	0.81	10.60
	<u>0.81</u>	<u>10.60</u>



10. Share Capital

	As at 31 March 2019		As at 31 March 2018	
	Number (in lakhs)	Amount	Number (in lakhs)	Amount
Authorised				
Equity shares of ₹ 10 each	300.00	3,000.00	300.00	3,000.00
	300.00	3,000.00	300.00	3,000.00
Issued, subscribed and paid up				
Equity shares of ₹ 10/- each, fully paid For the year ended 31 March 2019	41.73	417.25	41.73	417.25
	41.73	417.25	41.73	417.25

a. Reconciliation of the equity share capital

	As at 31 March 2019		As at 31 March 2018	
	Number (in lakhs)	Amount	Number (in lakhs)	Amount
Equity shares of ₹ 10 each, par value				
Add: Issued and subscribed during the year	-	-	-	-
Balance at the end of the year	41.73	417.25	41.73	417.25

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, 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 shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by Holding Company

	As at 31 March 2019		As at 31 March 2018	
	Number (in lakhs)	Amount	Number (in lakhs)	Amount
Holding company				
AXISCADES Aerospace & Technologies Private Limited (Formerly known as AXISCADES Aerospace & Technologies Limited)	41.73	417.25	41.73	417.25
	41.73	417.25	41.73	417.25

d. Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2019		As at 31 March 2018	
	Number (in lakhs)	%	Number (in lakhs)	%
AXISCADES Aerospace & Technologies Private Limited	41.73	99.99%	41.73	99.99%
	41.73	99.99%		

e. In the period of five years immediately preceding the Balance Sheet date, the Company has not issued any shares pursuant to contract without payment being received in cash or any bonus shares or has bought back any shares.

11. Other equity

	As at 31 March 2019	As at 31 March 2018
Security premium account	6,875.55	6,875.55
Surplus at the end of the year	597.66	743.75
	7,473.21	7,619.30

12. Borrowings

	As at 31 March 2019	As at 31 March 2018
Non-Current		
Intercorporate deposits from related parties (Refer note19)	333.82	162.31
	333.82	162.31

13. Trade Payables

	As at 31 March 2019	As at 31 March 2018
Payable to others	10.94	14.98
	10.94	14.98

14. Other liabilities

	As at 31 March 2019	As at 31 March 2018
Duties and taxes payable	3.55	2.09
Intercompany Payables	29.40	-
Other Liabilities	1.90	-
	34.85	2.09



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2019 (Cont'd)

(All amounts in ₹ lakhs, unless otherwise stated)

14 Employee benefit expenses

Salaries and wages	-	0.47
Staff welfare expenses	-	(0.01)
	-	0.46

15 Finance Cost

Interest on borrowings (Refer note 19)	32.66	4.80
	32.66	4.80

16 Other expenses

Travelling and conveyance	-	0.15
Legal and professional charges	109.27	1.05
Rates and taxes	0.21	1.08
Auditor's remuneration	1.00	1.00
Telephone and internet	-	0.16
Office expenses	-	0.15
Bank charges	2.95	0.02
	113.43	3.61

17 Tax Expense

There is no tax expense/ (credit) recognised during the year ended 31 March 2018 and 31 March 2019

Reconciliation of tax expense and the accounting loss multiplied by India's statutory income tax rate:

	Year ended 31 March 2019
Accounting profit before tax	(146.09)
Tax at the Indian tax rate [31 March 2019: 26%; 31 March 2018: 25.75%]	(37.62)
Deferred tax asset not recorded on loss due of lack of convincing evidence	37.62
Tax expense recognised in statement of profit and loss	-
Income tax expense reported in the Statement of Profit and Loss	-

(i) The Company has not recognised deferred tax assets on carried forward losses. The Company has concluded that the deferred tax assets will not be recoverable since no future taxable income will be available to recover the carry forward business loss.

(ii) Unused tax losses for which no deferred tax asset has been recognised:

Nature of loss/allowance	Pertains to	C/F losses	Expiry date
Business loss	AY 2012-13	12.84	AY 20-21
Business loss	AY 2013-14	4.99	AY 21-22
Business loss	AY 2014-15	10.57	AY 22-23
Business loss	AY 2015-16	129.60	AY 23-24
Business loss	AY 2016-17	77.55	AY 24-25
Business loss	AY 2017-18	8.22	AY 25-26
Business loss	AY 2018-19	8.84	AY 26-27

18 Loss per share (basic and diluted)

	Year ended 31 March 2019	Year ended 31 March 2018
Profit/loss after tax attributable to equity shares (₹)	(146.09)	(8.88)
Weighted average number of shares outstanding (number in lakhs)	41.73	41.73
Nominal value of shares (₹)	10	10
Basic and diluted loss per share (₹)	(3.50)	(0.21)



(All amounts in ₹ lakhs, unless otherwise stated)

19 Related party disclosures

i) The list of related parties are as follows:

<u>Nature of relationship</u>	<u>Name of party</u>
Holding company	AXISCADES Aerospace & Technologies Private Limited (Formerly known as AXISCADES Aerospace & Technologies Limited)
Ultimate holding company	AXISCADES Engineering Technologies Limited
Fellow subsidiary Company	Enertec Controls Limited Indian Aero Infrastructure Pvt. Ltd. (Demerged w.e.f. 20 August 2016)

ii) Transactions with related parties:

	Nature of transaction	Relationship	Year ended 31 March 2019	Year ended 31 March 2018
A	Cross charge of expenses Indian Aero Infrastructure Private Limited	Fellow Subsidiary Company	(7.88)	(3.24)
B	Intercorporate deposit availed AXISCADES Aerospace & Technologies Private Limited	Holding Company	175.82	162.31
C	Interest Expenses AXISCADES Aerospace & Technologies Private Limited	Holding Company	32.66	4.79

iii) Balances as at the year end:

	Nature of transaction	Relationship	As at 31 March 2019	As at 31 March 2018
A	Investment Enertec Controls Limited	Fellow Subsidiary Company	1,203.00	1,203.00
B	Trade Payable Indian Aero Infrastructure Private Limited	Fellow Subsidiary Company	7.88	-
C	Intercorporate deposit availed AXISCADES Aerospace & Technologies Private Limited	Holding Company	333.82	162.31



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2019 (Cont'd)

(All amounts in ₹, unless otherwise stated)

20 Commitment or contingencies

All known liabilities are provided for in the accounts except liabilities of a contingent nature, which are adequately disclosed in accounts.

a) **Contingent liability**

Party	Bank Name	BG Date	Amount (₹)	Expiry Date
Government of Karnataka	YES Bank Limited	27/12/2007	1,500.00	30/04/2019

Cash margin of equivalent amount has been provided by the group company.

ii) Karnataka Industrial Areas Development Board (KIADB) vide letter dated 12 September 2017 has allotted 20.8 acres of land in Bengaluru Aerospace Park, for which the Company has paid an advance of ₹ 3,757.69 lakhs. The Company has possession of 10 acres of land, accordingly ₹ 1801.01 lakhs has been considered as leasehold and balance of ₹ 1,956.68 lakhs is treated as capital advance which will be adjusted against remaining 10.8 acres consideration commitment.

21 Segment reporting

The company is primarily engaged in development of green field projects. Revenue for the current year is nil. The company does not have any geographical or business segment and hence disclosure under Ind AS 108 is not applicable.

22 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity shareholders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets its liabilities due. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company being debt-free, capital gearing ratio is not applicable.

23 Financial risk management

The Company's principal financial liabilities, comprises of trade payables. The Company's principal financial assets include loans, other receivables, and cash and bank balances that derive directly from its operations.

The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk. Financial instruments affected by market risk include trade and other receivables/ payables. The Company is not exposed to foreign currency risk, interest rate risk and certain other price risk, which are a result from both its operating and investing activities as the Company's transactions are carried out in INR and it does not hold any investments or financial instruments in currency other than ₹.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily on account of the following:

Assets under credit risk:	As at 31 March 2019	As at 31 March
Cash and cash equivalents	0.81	10.60
Security deposit	-	-
Total	0.81	10.60

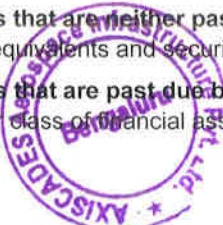
Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings as signed by international and domestic credit rating agencies.

Financial assets that are neither past due nor impaired

Cash and cash equivalents and security deposit are neither past due nor impaired.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2019 (Cont'd)

(All amounts in ₹ lakhs, unless otherwise stated)

23 Financial risk management (cont'd)

(c) Liquidity risk

As of 31 March 2019, the Company had a negative working capital of ₹ 37.11 lakhs including cash and cash equivalents of ₹ 0.8 lakhs. As of 31 March 2018, the Company had a negative working capital of ₹ 6.47 lakhs including cash and cash equivalents of ₹ 10.60 lakhs. The Company has a liquidity risk as at the year end 31 March 2019. However, the Company has internal control processes and contingency plans for managing liquidity risk.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual payments:

	Less than 1 year	1 year to 5 years	More than 5 years
As at 31 March 2019			
Trade payables	10.94	-	-
Borrowings	-	333.82	-
As at 31 March 2018			
Trade payables	14.98	-	-
Borrowings	-	162.31	-

24 Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2019 were as follows:

Particulars	Amortised cost	Financial assets / liabilities at FVTPL	Financial assets / liabilities at FVTOCI	Carrying value
Assets:				
Cash and cash equivalents	0.81	-	-	0.81
Financial assets				
Investments	1,203.00	-	-	1,203.00
Total	1,203.81	-	-	1,203.81
Liabilities:				
Financial Liabilities				
Trade payable	10.94	-	-	10.94
Borrowings	333.82	-	-	333.82
Total	344.76	-	-	344.76

The carrying value and fair value of financial instruments by categories as of 31 March 2018 were as follows:

Particulars	Amortised cost	Financial assets / liabilities at FVTPL	Financial assets / liabilities at FVTOCI	Carrying value
Assets:				
Cash and cash equivalents	10.60	-	-	10.60
Financial assets				
Investments	1,203.00	-	-	1,203.00
Total	1,213.60	-	-	1,213.60
Liabilities:				
Trade payable	14.98	-	-	14.98
Borrowings	162.31	-	-	162.31
Total	177.29	-	-	177.29

The management assessed that the fair value of cash and cash equivalents, investments, other financial assets and trade payables approximate the carrying amount largely due to short-term maturity of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

(iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

See accompanying notes (1-24) forming part of these financials statements.

This is the Balance Sheet referred to in our report of even date.

For MKUK & Associates

Chartered Accountants
ICAI Registration number: 0501133

per **Anto Joseph**
Proprietor
Membership No: 203958

Bengaluru
07th May 2019



For and on behalf of the Board of Directors of AXISCADES Aerospace Infrastructure Private Limited

Sharadhi Chandra Babupampapathy
Director
DIN: 02809502

Bengaluru
07th May 2019

Sreedhar Rao Ellentala

Director
DIN: 00117324

Bengaluru
07th May 2019