



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

Report on the standalone Ind AS Financial Statements

Opinion

I have audited the accompanying Standalone Ind AS financial statements of M/s. **Axiscades Aerospace Infrastructure Private Limited** ("**the Company**") which comprises the Balance Sheet as at March 31, 2021, 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 my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone Ind AS 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, 2021, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

I conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial Statements section of our report. I am 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 my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the IndAS financial statements and my auditor's report thereon.

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

In connection with my audit of the IndAS financial statements, my responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the IndAS financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude





that if there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibility of Management for the Standalone Ind AS 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 Ind AS 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

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the IndAS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the IndAS financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the IndAS financial statements, including the disclosures, and whether the IndAS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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, I 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, I report that:

I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.

a. In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my 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 account.



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d. In my opinion, the aforesaid standalone Ind AS 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, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2021 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 my separate Report in "Annexure B".


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 my opinion and to the best of my information and according to the explanations given to me:

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

Partner

Membership number: 203958

UDIN: 21203958AAAABA9052



Bangalore

Date: 14.05.2021



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 2021, I 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 and no differences were noticed.
- (c) According to the information and explanations given to me and on the basis of my examination of records of the Company, as mentioned in note no:5 the immovable properties are subject to registration 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 not granted 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 my opinion and according to the information and explanations given to me, 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 my opinion and according to the information and explanations given to me, 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 my 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 me, 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 me, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty were



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outstanding, as at 31st March 2021, for a period more than six months from the date of they become payable.

(c) 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 except for, demands of ₹ 5.30 lakhs, ₹ 12.87 lakhs, ₹ 16.72 lakhs ₹ 63.07 Lakhs and ₹ 6.35 Lakhs under Income Tax Act 1961 for Assessment Year 2005-06, 2007-08, 2008-09, 2009-10 and 2010-11, respectively, towards disallowance under Section 14 A, Income related to unclaimed TDS credit and Income Tax & Interest under Section 234B. The matters are pending under appeal with ACIT/DCIT.

8. As per information given to me 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 me, 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 me, 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 my opinion and according to the information and explanations given to me, 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 me and based on my 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.



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14. According to the information and explanations give to me and based on my 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 me and based on my 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
Partner

Membership number: 203958

UDIN:21203958AAAABA9052



Bangalore

Date: 14.05.2021



Annexure B

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of **Axiscades Aerospace Infrastructure Private Limited** ("the Company") as of 31 March 2021 in conjunction with my audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.





I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.


Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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


Anto Joseph
Proprietor
Membership number: 203958
UDIN: 21203958AAAABA9052



Bangalore
Date: 14.05.2021

AXISCADES Aerospace Infrastructure Private Limited
(Formerly known as Jupiter Aviation Services Private Limited)
CIN:U85110KA2000PTC028009

Balance Sheet as at 31 March 2021

(All amounts in ₹ lakhs, unless otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	-	-
Capital work-in-progress	4	-	-
Right of use assets (also refer note 2.(iii))	5	4,976.09	4,976.09
Financial assets			
Investments	6	1,203.00	1,203.00
Non-current tax asset, net	7	97.86	97.26
Other non-current assets	8	1,985.71	1,985.36
		8,262.66	8,261.71
Current assets			
Financial assets			
Cash and cash equivalents	9	0.21	0.81
Other current assets	8	6.23	6.23
		6.44	7.04
TOTAL ASSETS		8,269.10	8,268.75
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	417.25	417.25
Other equity	11	7,389.11	7,428.49
		7,806.37	7,845.75
Non-current liabilities			
Financial Liabilities			
Borrowings	12	347.10	339.88
		347.10	339.88
Current liabilities			
Financial liabilities			
Trade payables	13	6.57	6.62
Other current liabilities	14	109.05	76.50
		115.62	83.12
TOTAL EQUITY AND LIABILITIES		8,269.10	8,268.75

See accompanying notes (1-26) 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**
Partner
Membership No: 203958



Bengaluru
May 14, 2021

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



Sharadhi Chandra Babupampapathy
Director
DIN: 02809502

Bengaluru
May 14, 2021



Sreedhar Rao Ellentala
Director
DIN: 00117324

Bengaluru
May 14, 2021

AXISCADES Aerospace Infrastructure Private Limited
(Formerly known as Jupiter Aviation Services Private Limited)
CIN:U85110KA2000PTC028009
Statement of Profit and Loss for the year ended 31 March 2021
(All amounts in ₹ lakhs, unless otherwise stated)

	Note	Year ended 31 March 2021	Year ended 31 March 2020
INCOME			
Other income	15	0.14	-
TOTAL INCOME		0.14	-
EXPENSES			
Employee benefits expense	16	-	-
Finance Costs	17	37.42	40.74
Other expenses	18	2.10	3.97
TOTAL EXPENSES		39.52	44.71
LOSS BEFORE TAX		(39.38)	(44.71)
Tax Expense:	18		
Current tax	19	-	-
Adjustment of tax relating to earlier years		-	-
Deferred tax credit		-	-
PROFIT AFTER TAX		(39.38)	(44.71)
Total comprehensive income for the year		(39.38)	(44.71)
Loss per share in ₹			
Basic and diluted	20	(0.94)	(1.07)

See accompanying notes (1-26) 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

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


per Anto Joseph
Partner
Membership No: 203958





Sharadhi Chandra Babupampapathy
Director
DIN: 02809502



Sreedhar Rao Ellentala
Director
DIN: 00117324

Bengaluru
May 14, 2021

Bengaluru
May 14, 2021

Bengaluru
May 14, 2021

AXISCADES Aerospace Infrastructure Private Limited
(Formerly known as Jupiter Aviation Services Private Limited)
CIN:U85110KA2000PTC028009

Statement of Changes in Equity for the year ended 31 March 2021

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital

Equity shares of ₹ 10 each, fully paid-up

As at 31 March 2019

Add: Issued and subscribed during the year

As at 31 March 2020

Add: Issued and subscribed during the year

As at 31 March 2021

	Equity shares	
	Number (in lakhs)	Amount
As at 31 March 2019	41.73	417.25
Add: Issued and subscribed during the year	-	-
As at 31 March 2020	41.73	417.25
Add: Issued and subscribed during the year	-	-
As at 31 March 2021	41.73	417.25

B. Other equity

For the year ended 31 March 2020

Balance as at 31 March 2019

Profit for the year

Other Comprehensive Income

Total Comprehensive Income

Balance as at 31 March 2020

Profit for the year

Other Comprehensive Income

Total Comprehensive Income

Balance as at 31 March 2021

	Reserves and Surplus		
	Securities Premium Account	Deficit in the Statement of Profit and Loss	Total
Balance as at 31 March 2019	6,875.55	597.66	7,473.21
Profit for the year	-	(44.71)	(44.71)
Other Comprehensive Income	-	-	-
Total Comprehensive Income	-	(44.71)	(44.71)
Balance as at 31 March 2020	6,875.55	552.95	7,428.50
Profit for the year	-	(39.38)	(39.38)
Other Comprehensive Income	-	-	-
Total Comprehensive Income	-	(39.38)	(39.38)
Balance as at 31 March 2021	6,875.55	513.57	7,389.12

See accompanying notes (1-26) 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
Partner

Membership No: 203958



Bengaluru
May 14, 2021

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



Sharadhi Chandra Babupampapathy

Director

DIN: 02809502

Bengaluru
May 14, 2021



Sreedhar Rao Ellentala

Director

DIN: 00117324

Bengaluru
May 14, 2021

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 2021
(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
A Cash flow from operating activities		
Loss before tax	(39.38)	(146.09)
Operating profit before working capital changes	(39.38)	(146.09)
Movements in working capital		
Decrease in other current assets	-	(7.88)
(Increase) in non current assets	(0.29)	(19.34)
Increase / (Decrease) in trade payables	(0.06)	(4.04)
Increase / (Decrease) in liabilities	32.55	32.75
Cash generated from operating activities	(7.17)	(144.60)
Direct taxes paid (net of refunds)	(0.60)	-
Net cash generated from operating activities (A)	(7.77)	(144.59)
B Cash flow from investing activities		
Acquisition of Fixed Assets	-	(36.70)
Net cash used in investment activities (B)	-	(36.70)
C Cash flow from financing activities		
Proceeds from share allotment	-	-
Proceeds from/(repayment of) borrowings	7.21	171.51
Net cash from financing activities (C)	7.21	171.51
Net (decrease) in cash and cash equivalents (A+B+C)	(0.56)	(9.79)
Cash and cash equivalents as at beginning of the year	0.81	10.60
Cash and cash equivalents as at end of the year	0.25	0.81

See accompanying notes (1-26) 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**
Partner
Membership No: 203958



Bengaluru
May 14, 2021

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



Sharadhi Chandra Babupampapathy
Director
DIN: 02809502

Bengaluru
May 14, 2021



Sreedhar Rao Ellentala
Director
DIN: 00117324

Bengaluru
May 14, 2021

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 2021

(All amounts in ₹ lakhs, unless otherwise stated)

1 General Information:

AXISCADES Aerospace Infrastructure Private Limited (the 'Company') is a Private Limited Company incorporated under the provisions of the Companies Act, 1956 ('the Act') on 23 October 2000. The Company is engaged in the development of green field airport project at Hassan, Karnataka and in the development of an Aerospace park at the land allotted in Devanahalli Aerospace Cluster (DAC) at Bengaluru, Karnataka. Further, the Company also provides aviation and logistics related consultancy services. With effect from 5 June 2015, the Company is known as AXISCADES Aerospace Infrastructure Private Limited. Prior to that the Company was known as Jupiter Aviation Services Private Limited. Refer Note 21 for demerger of one of its airport project.

2 Summary of significant accounting policies

a) Basis of accounting and preparation

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 14 May 2021.

The standalone Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

b) Use of estimates

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3 Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

a) Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

b) Use of estimates (Cont'd)

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

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.

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 2021

(All amounts in ₹ lakhs, unless otherwise stated)

c) Current versus non-current classification

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

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.

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.

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f) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with

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.

Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets from 1st April 2019 (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2(p) for policy on impairment of non-financial assets.

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 correlation to the underlying transaction either in OCI or directly in equity.

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.

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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

- 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
- 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.

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:

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- a. The rights to receive cash flows from the asset have expired, or
- b. 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.

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:

- a. 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.
- b. Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- c. 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.

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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

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

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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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.

III) Changes in accounting policies and disclosures

New and amended standards

Ind AS 116: Leases

"The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending 31 March 2020, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified."

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (appendix C of Ind AS 17 determining whether an arrangement contains a lease, appendix A of Ind AS 17 operating leases-incentives and appendix B of Ind AS 17 evaluating the substance of transactions involving the legal form of a lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 with the date of initial application on 01 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The effect of adoption of Ind AS 116 is as follows;

Impact on balance sheet (increase/(decrease)):

	<u>(Rs. In Lakhs)</u> <u>April 01, 2019</u>
Assets	
Right-of-use asset	4,976.09

Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to note 2.(i) (j) Leases for the accounting policy prior to 01 April 2019.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases, leases of low-value assets and variable lease. Refer to note 2.(i)(j) Leases for the accounting policy beginning 01 April 2019. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

"The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Lease term is estimated based on the primary lease term. For leases expiring within next financial year 31 March 2021, further extension by the agreed time period is considered for lease term."

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021
(Cont'd)

(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 2019	4,976.09	4,976.09
Additions during the year	-	-
Transfer to ROU Asset	4,976.09	4,976.09
Deletions during the year	-	-
Balance as at 31 March 2020	0.00	0.00
Additions during the year	-	-
Transfer to ROU Asset	-	-
Deletions during the year	-	-
Balance as at 31 March 2021	0.00	0.00
Accumulated depreciation		
Balance as at 31 March 2019	-	-
Depreciation charge for the year	-	-
Deletions	-	-
Balance as at 31 March 2020	-	-
Depreciation charge for the year	-	-
Deletions	-	-
Balance as at 31 March 2021	-	-
Net Block		
As at 31 March 2019	4,976.09	4,976.09
As at 31 March 2020	(0.00)	(0.00)
As at 31 March 2021	(0.00)	(0.00)

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 letter no 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. The Company intends to register both the Plots of land after getting combined possession certificate which the company is in the process of obtaining.

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 2021 and 31 March 2020.

4. Capital work-in-progress

	As at 31 March 2021	As at 31 March 2020
Opening Capital work-in-progress	-	-
Additions during the year	-	-
Less : Capitalised during the year	-	-
Less: Allowance for capital work-in-progress	-	-

5. Right-of-use assets

Company as a lessee

The Company has entered into property leases for carrying out its operations. These leases are for a period of Ten years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Generally, the Company is restricted from assigning and subleasing the leased assets. These lease contracts include extension and termination options.

Below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	As at 31 March 2021	As at 31 March 2020
Balance as on 01 April 2020	-	-
Transfer from prepaid rent	-	-
Additions / (deletions) (Transfer From Property Plant & Equipment)	4,976.09	4,976.09
Depreciation expense	-	-
Carrying amount as on 31 March 2021	4,976.09	4,976.09

Non-cash investing and financing activities disclosed in other notes are:

(a) Acquisition of right-of-use assets - Amounts recognised in the balance sheet - Right-of-use assets (refer note 5)

(b) Though the Company measures Right to Use Asset using cost based measurement, the fair value of Right to Use Asset is based on valuation performed by an accredited independent valuer. The main inputs used are location and locality, facilities and amenities, business potential, supply and demand, local nearby enquiry, market feedback of investigation and ready reckoner published by the Government

(c) Fair valuation of Right to Use asset is based on Sales Comparison Method which is INR 93.15 Crore for ROU Asset 10.7 Acres and 10 acres for capital advance (Previous Year: INR 69.33 crores inclusive of Capital advance) . The fair value measurement is categorised in level 3 fair value hierarchy

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021
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6 Investments

	As at 31 March 2021	As at 31 March 2020
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		
	1,203.00	1,203.00

7 Non-current tax assets, net

Advance taxes (net of provision for tax: Nil)	97.86	97.26
	97.86	97.26

8 Other assets

	As at 31 March 2021	As at 31 March 2020
Non-current		
Unsecured, considered good		
Balances with revenue authorities	29.13	28.78
Capital advance	1,956.58	1,956.58
	1,985.71	1,985.36
Unsecured, considered doubtful		
Other advances	178.38	178.38
	178.38	178.38
Less: Allowance for doubtful advances	178.38	178.38
	178.38	178.38
	1,985.71	1,985.36
Current		
Unsecured, considered good		
Receivable from related parties (Refer Note 19)	6.23	6.23
	6.23	6.23

9 Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Balances with banks:		
- On current accounts	0.21	0.81
	0.21	0.81

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Cont'd)

(All amounts in ₹ lakhs, unless otherwise stated)

9. Share Capital

	As at 31 March 2021		As at 31 March 2020	
	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	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 2021		As at 31 March 2020	
	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 2021		As at 31 March 2020	
	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 2021		As at 31 March 2020	
	Number (in lakhs)	%	Number (in lakhs)	%
AXISCADES Aerospace & Technologies Private Limited	41.73	99.99%	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.

10. Other equity

	As at 31 March 2021	As at 31 March 2020
Security premium account	6,875.55	6,875.55
Balance as per the last financial statements	6,875.55	6,875.55
Add: Premium on issue of equity shares	-	-
Less: Reduction due to scheme of demerger	-	-
Less: Profit and loss account	-	-
Additions during the period	-	-
Balance at the end of the year	6,875.55	6,875.55
Surplus at the beginning of the year	552.95	597.66
Add: Net profit for the year	(39.38)	(44.71)
Add: IND AS impact	-	-
Less: Transfer to Security Premium as per scheme of demerger	-	-
Surplus at the end of the year	513.57	552.95
	7,389.11	7,428.49

11. Borrowings

	As at 31 March 2021	As at 31 March 2020
Non-Current		
Intercompany deposits from related parties (Refer note21)	347.10	339.88
	347.10	339.88

12. Trade Payables

	As at 31 March 2021	As at 31 March 2020
Payable to others	6.57	6.62
	6.57	6.62

13. Other liabilities

	As at 31 March 2021	As at 31 March 2020
Duties and taxes payable	2.81	4.17
Intercompany Payables	104.99	70.37
Other Liabilities	1.25	1.95
	109.05	76.50

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Cont'd)

(All amounts in ₹, unless other wise stated)

15 Other income

	Year ended 31 March 2021	Year ended 31 March 2020
Interest income from income tax refund	-	-
Liabilities no longer required	0.14	-
	0.14	-

16 Employee benefit expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and wages	-	-
Staff welfare expenses	-	-
	-	-

17 Finance Cost

Interest on borrowings (Refer note21)	37.42	40.74
	37.42	40.74

18 Other expenses

Travelling and conveyance	-	0.09
Legal and professional charges	0.98	0.87
Rates and taxes	0.12	0.27
Auditor's remuneration	1.00	1.00
Telephone and internet	-	0.09
Bad Debts	-	1.65
Bank charges	0.00	0.00
	2.10	3.97

19 Tax Expense

There is no tax expense/ (credit) recognised during the year ended 31 March 2020 and 31 March 2021

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

	Year ended 31 March 2021
Accounting profit before tax	(39.38)
Tax at the Indian tax rate [31 March 2021: 26%, 31 March 2020: 26%]	(10.14)
Deferred tax asset not recorded on loss due of lack of convincing evidence	10.14
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 be 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
Business loss	AY 2019-20	44.71	AY 27-28
Business loss	AY 2020-21	39.38	AY 28-29

20 Loss per share (basic and diluted)

	Year ended 31 March 2021	Year ended 31 March 2020
Profit/loss after tax attributable to equity shares (₹)	(39.38)	(44.71)
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 (₹)	(0.94)	(1.07)

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 2021 (Cont'd)

(All amounts in ₹ lakhs, unless otherwise stated)

21 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 2021	Year ended 31 March 2020
A	Cross charge of expenses Indian Aero Infrastructure Private Limited	Fellow Subsidiary Company	-	-
B	Intercompany deposit availed AXISCADES Aerospace & Technologies Private Limited	Holding Company	7.22	6.06
C	Interest Expenses AXISCADES Aerospace & Technologies Private Limited	Holding Company	37.42	40.74

iii) Balances as at the year end:

	Nature of transaction	Relationship	As at 31 March 2021	As at 31 March 2020
A	Investment Enertec Controls Limited	Fellow Subsidiary Company	1,203.00	1,203.00
B	Intercompany Payable AXISCADES Aerospace & Technologies Private Limited	Holding Company	104.99	70
B	Trade Payable Indian Aero Infrastructure Private Limited	Fellow Subsidiary Company	(6.23)	(6.23)
C	Intercompany deposit availed AXISCADES Aerospace & Technologies Private Limited	Holding Company	347.10	339.88

22 Commitment or contingencies

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

i) 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 ROU Asset and balance of ₹ 1,956.68 lakhs is treated as capital advance which will be adjusted against remaining 10.8 acres consideration commitment.

ii) The Company has received demand notices of ₹ 5.30 lakhs, ₹ 12.87 lakhs, ₹ 16.72 lakhs ₹ 63.07 Lakhs and ₹ 6.35 Lakhs under Income Tax Act 1961 for Assessment Year 2005-06, 2007-08, 2008-09, 2009-10 and 2010-11, respectively, towards disallowance under Section 14 A, Income related to unclaimed TDS credit and Income Tax & Interest under Section 234B.

The Company is contesting the demands/ litigations and the Management believes that its position will be upheld in the appellate process or assessment process and therefore, will not impact these financial statements. Consequently, no provision has been created in the financial statements for the above.

23 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.

24 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.

25 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 2021	As at 31 March 2020
Cash and cash equivalents	0.21	0.21
Security deposit	-	-
Total	0.21	0.21

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 31 March 2021 (Cont'd)
(All amounts in ₹ lakhs, unless otherwise stated)

25 Financial risk management (cont'd)

(c) Liquidity risk

As of 31 March 2021, the Company had a negative working capital of ₹ 76.08 lakhs including cash and cash equivalents of ₹ 0.8 lakhs. As of 31 March 2020, the Company had a negative working capital of ₹ 109.18 lakhs including cash and cash equivalents of ₹ 0.21 lakhs. The Company has a liquidity risk as at the year end 31 March 2021. 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 2021			
Trade payables	6.57	-	-
Borrowings	-	347.10	-
As at 31 March 2020			
Trade payables	6.62	339.88	-
Borrowings	-	-	-
As at 31 March 2019			
Trade payables	6.62	-	-
Borrowings	-	333.82	-

26 Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2021 were as follows:

Particulars	Amortised cost	Financial assets / liabilities at FVTPL	Financial assets / liabilities at FVTOCI	Carrying value
Assets:				
Cash and cash equivalents	0.21	-	-	0.21
Financial assets				
Investments	1,203.00	-	-	1,203.00
Total	1,203.21	-	-	1,203.21
Liabilities:				
Financial Liabilities				
Trade payable	6.57	-	-	6.57
Borrowings	347.10	-	-	347.10
Total	353.66	-	-	353.66

The carrying value and fair value of financial instruments by categories as of 31 March 2020 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	6.62	-	-	6.62
Borrowings	339.88	-	-	339.88
Total	346.50	-	-	346.50

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:				
Trade payable	6.62	-	-	6.62
Borrowings	339.88	-	-	339.88
Total	346.51	-	-	346.51

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 (1-26) forming part of these financial statements.

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

For MKUK & Associates
Chartered Accountants
ICAI Registration number: 0501135

per Anto Joseph
Partner
Membership No: 203958



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

Haradhi Chandra Babupampapathy
Director
DIN- 02809502

(Signature)

Sreedhar Rao Ellentala
Director
DIN- 00117324