

INDEPENDENT AUDITOR'S REPORT

To the Members of Airmid Aviation Services Limited Report on the Financial Statements

We have audited the accompanying financial statements of **Airmid Aviation Services Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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 accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required under provisions of Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as 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 account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
 - e. On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure 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 our opinion and to the best of our information and according to the explanations given to us:
 - i. As detailed in Note 28 to the financial statements, the Company has disclosed the impact of pending litigations on its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For Agarwal Prakash & Co.
Chartered Accountants
FRN: 005975N

Vikas Aggarwal
Partner
Membership No.: 097848

New Delhi
May 04, 2016

Annexure A referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our report of even date on the financial statements for the year ended March 31, 2016

Based on the audit procedures performed of the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The Company does not hold any immovable properties (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- ii) As the Company has no inventories during the year. Accordingly, the provisions of clause 3(ii) of the Order are not applicable to the Company.
- iii) The Company has not granted any loans, secured or unsecured to companies, firm, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.
- iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) In respect of Statutory dues :
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable.

- b. According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess on account of any dispute, which have not been deposited.
- viii) In our opinion, the Company has not defaulted in repayment of loans or borrowings to any bank during the year. Further, the Company has no loans or borrowings payable to a financial institution or government and no dues payable to debenture-holders during the year.
- ix) As explained to us, no money raised by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not obtained any term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or its employees was noticed or reported during the year.
- xi) In our opinion, the provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company as the Company does not pay/provide for any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 & 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by applicable accounting standards.
- xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of Shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Agarwal Prakash & Co.
Chartered Accountants
FRN: 005975N

Vikas Aggarwal
Partner
Membership No.: 097848

New Delhi
May 04, 2016

Annexure B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of **Airmid Aviation Services Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the 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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We 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 we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 our 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 March 31, 2016, 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 Agarwal Prakash & Co.
Chartered Accountants
FRN: 005975N

Vikas Aggarwal
Partner
Membership No.: 097848

New Delhi
May 04, 2016

Airmid Aviation Services Limited
(Formerly Airmid Aviation Services Private Limited)
Balance sheet as at March 31, 2016

		As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	100,000,000	100,000,000
Reserves and surplus	5	(742,196,357)	(265,379,920)
Total of shareholders' funds		<u>(642,196,357)</u>	<u>(165,379,920)</u>
Non-current liabilities			
Long-term borrowings	6A	3,343,197,466	-
Other Long term liabilities	7A	950,000,000	100,000,000
Long-term provisions	8A	9,535,951	6,462,936
Total of non-current liabilities		<u>4,302,733,417</u>	<u>106,462,936</u>
Current liabilities			
Short-term borrowings	6B	1,000,000,000	2,225,557,975
Trade payables			
(a) Payable to micro enterprises and small enterprises	9A	-	-
(b) Other payables	9B	41,057,951	24,421,607
Other current liabilities	7B	184,793,339	50,216,219
Short-term provisions	8B	221,061	590,993
Total of current liabilities		<u>1,226,072,351</u>	<u>2,300,786,794</u>
Total of equity and liabilities		<u>4,886,609,411</u>	<u>2,241,869,810</u>
II. ASSETS			
Non-current assets			
Fixed assets	10		
- Tangible assets		4,350,417,246	1,795,192,137
- Capital work in progress		-	62,590,800
Deferred tax assets, net	21	47,832,516	47,832,516
Long-term loans and advances	11A	133,451,217	152,340,807
Total of non-current assets		<u>4,531,700,979</u>	<u>2,057,956,260</u>
Current assets			
Trade receivables	12	239,787,204	146,887,438
Cash and cash equivalents	13	79,021,776	27,004,112
Short-term loans and advances	11B	33,903,587	10,017,315
Other current assets	14	2,195,865	4,685
Total of current assets		<u>354,908,432</u>	<u>183,913,550</u>
Total of assets		<u>4,886,609,411</u>	<u>2,241,869,810</u>

Significant accounting policies 3

The accompanying notes are an integral part of financial statements

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

For Agarwal Prakash & Co.
Chartered Accountants
FRN: 005975N

For and on behalf of Board of Directors

Vikas Aggarwal
Partner

Anil Malhan
Director
DIN: 01542646

Gurbans Singh
Director
DIN: 06667127

Place: New Delhi
Date: May 04, 2016

Namrata Gupta
Company Secretary

Saurabh Garg
Chief Financial Officer

Airmid Aviation Services Limited
(Formerly Airmid Aviation Services Private Limited)
Statement of profit and loss for the year ended March 31, 2016

	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenue			
Revenue from operations	15	482,679,617	650,120,072
Other income	16	13,513,461	699,390
Total of revenue		496,193,078	650,819,462
Expenses			
Operating expenses	17	271,673,590	220,831,246
Employee benefits expense	18	94,354,051	71,895,910
Finance costs	19	371,460,050	76,145,410
Depreciation and amortization expenses	10	218,744,640	127,590,278
Other expenses	20	17,251,697	13,631,357
Total of expenses		973,484,028	510,094,201
Profit/(loss) before tax		(477,290,950)	140,725,261
Tax expense:	21		
- Current tax (including tax related to earlier year)		(474,513)	10,440,783
- Deferred tax		-	(47,832,516)
Profit/(loss) for the year		(476,816,437)	178,116,994
Earnings per equity share	22		
- Basic		(47.68)	17.81
- Diluted		(47.68)	17.81
Face value per equity share		10	10
Significant accounting policies	3		

The accompanying notes are an integral part of financial statements

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

For Agarwal Prakash & Co.
Chartered Accountants
FRN: 005975N

For and on behalf of Board of Directors

Vikas Aggarwal
Partner

Anil Malhan
Director
DIN: 01542646

Gurbans Singh
Director
DIN: 06667127

Place: New Delhi
Date: May 04, 2016

Namrata Gupta
Company Secretary

Saurabh Garg
Chief Financial Officer

Airmid Aviation Services Limited
(Formerly Airmid Aviation Services Private Limited)
Cash Flow Statement for the year ended March 31, 2016

	For the year ended March 31, 2016	For the year ended March 31, 2015
A. Cash flow from operating activities		
Net Profit/(loss) before tax	(477,290,950)	140,725,261
<i>Adjustments for statement of profit and loss items:</i>		
Depreciation and amortisation expenses	218,744,640	127,590,278
Interest expense	296,157,585	66,135,962
Interest income	(3,395,410)	(473,699)
Dividend income from units of mutual funds	(2,884,543)	(181,898)
Unrealised foreign exchange gain, net	19,080	(37,981)
Provision for gratuity and compensated absences	2,703,083	1,291,427
Operating profit before working capital changes and other adjustments	34,053,485	335,049,350
<i>Working capital changes and other adjustments:</i>		
Decrease/ (Increase) in trade receivables	(92,899,766)	(88,495,128)
Decrease/(Increase) in loans and advances	(25,231,715)	6,275,495
Increase/(Decrease) in trade payables	16,617,264	(2,525,699)
Increase/(Decrease) in other liabilities	857,447,113	35,948,574
Cash generated from/(used in) operating activities	789,986,381	286,252,592
Income tax refund/(paid)	20,709,546	(36,403,021)
Net cash generated from / (used in) operating activities	810,695,927	249,849,571
B. Cash flow from investing activities		
Purchase of fixed assets	(2,609,754,548)	(62,917,900)
Proceeds/(Investment) in fixed deposits with maturity of more than 3 months	(30,600,000)	(20,000,000)
Inter-corporate deposits given	(65,000,000)	-
Inter-corporate deposits received back	65,000,000	-
Interest received on Inter-corporate loans given	210,246	-
Interest received on fixed deposit accounts	993,984	469,014
Purchase of investments in mutal funds	(13,799,000,000)	-
Proceeds from sale of investments in mutual funds	13,799,000,000	-
Dividend income received from units of mutual funds	2,884,543	181,898
Net cash (used in) / generated from investing activities	(2,636,265,775)	(82,266,988)
C. Cash flow from financing activities		
Proceeds form issue of equity share capital	-	50,000,000
Proceeds from borrowings from banks and financial institutions	4,636,360,000	1,000,000,000
Repayment of borrowings from banks and financial institutions	(1,773,824,107)	(30,000,000)
Interest paid on borrowings from banks and financial institutions	(94,702,142)	(27,706,438)
(Repayment)/proceeds of optionally convertible debentures	-	(2,100,000,000)
Interest paid on optionally convertible debentures	-	(17,261)
Proceeds from inter-corporate borrowing	3,517,307,525	972,307,975
Repayment of inter-corporate borrowing	(4,319,896,750)	-
Interest paid on inter-corporate borrowings	(118,257,014)	(38,112,130)
Net cash (used in) / generated from financing activities	1,846,987,512	(173,527,854)
D. (Decrease)/Increase in cash and cash equivalents, net (A+B+C)	21,417,664	(5,945,271)
E. Cash and cash equivalents at the beginning of the year	7,004,112	12,949,383
F. Cash and cash equivalents at the end of the year (D+E)	28,421,776	7,004,112

Note:

- a) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on 'Cash Flow Statements' as specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended).

Airmid Aviation Services Limited
(Formerly Airmid Aviation Services Private Limited)
Cash Flow Statement for the year ended March 31, 2016

	For the year ended March 31, 2016	For the year ended March 31, 2015
b) Cash and cash equivalents includes:		
Cash on hand	1,293,807	1,214,978
Foreign currency on hand	-	181,368
Balances with banks		
- in current accounts	27,127,969	5,607,766
- in fixed deposit accounts	50,600,000	20,000,000
	79,021,776	27,004,112
Less: Fixed deposits having original maturity of more than three months	(50,600,000)	(20,000,000)
Total of cash and cash equivalents	28,421,776	7,004,112

c) Fixed deposits of ₹ 50,600,000 (previous year ₹ 20,000,000) are under lien with bank against term loan taken from bank.

d) Previous year figures have been regrouped and/or reclassified wherever necessary to conform to those of the current year grouping and/or classification.

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

For Agarwal Prakash & Co.
Chartered Accountants
FRN: 005975N

For and on behalf of Board of Directors

Vikas Aggarwal
Partner

Anil Malhan
Director
DIN: 01542646

Gurbans Singh
Director
DIN: 06667127

Place: New Delhi
Date: May 04, 2016

Namrata Gupta
Company Secretary

Saurabh Garg
Chief Financial Officer

Airmid Aviation Services Limited
(Formerly Airmid Aviation Services Private Limited)

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016

1. Company overview

Airmid Aviation Services Limited was incorporated on July 20, 2007 as Airmid Aviation Services Private Limited. The Company is engaged in rendering non-scheduled aircraft passenger services, including helicopter charter services and all other related and ancillary activities.

In accordance with the provisions of Section 18 and other applicable provisions of the Companies Act, 2013, the members of the company at their Extraordinary General Meeting held on 22 December 2014, accorded their approval to change the status of the Company from a private limited company to a public limited company. The company has since received a fresh certificate of incorporation consequent upon change of name on conversion to a public limited company from the Registrar of Companies, National Capital Territory of Delhi & Haryana dated December 22, 2014, in respect of the said change. Accordingly, the name of the Company was changed from Airmid Aviation Services Private Limited to Airmid Aviation Services Limited

2. Basis of preparation of financial statements

i. Basis of accounting

The financial statements have been prepared on going concern basis under the historical cost basis, in accordance with the generally accepted accounting principles in India and in compliance with the applicable accounting standards as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Companies Act 2013.

ii. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, if any, on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

3 Significant accounting policies

a) Revenue recognition

- i) Revenue from air transportation services is recognised in the year in which the service has been rendered, and billed as per terms of contract/arrangements with customers, except in cases where ultimate collection is considered doubtful.
- ii) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- iii) Dividend income is recognized when the right to receive payment is established, at the balance sheet date.
- iv) Profit on sale of investment is recognized on the date of its sale and is computed as excess of sale proceeds over its carrying amount as at the date of sale.
- v) Advisory service income is recognized on an accrual basis.

b) Fixed assets

Recognition and measurement

Tangible fixed assets are stated at cost; net of tax or duty credits availed, less accumulated depreciation and impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.

Depreciation and Amortization

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV of Companies Act, 1956 were used for charging depreciation. From the year ended March 31, 2015, schedule XIV has been replaced by Schedule II of Companies Act, 2013. Schedule II of Companies Act, 2013 prescribed the useful lives of fixed asset which, in many cases, are different from lives prescribed under Schedule XIV.

Airmid Aviation Services Limited
(Formerly Airmid Aviation Services Private Limited)

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016

Depreciation on fixed assets is provided on the straight-line method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use subject to transitional provisions of Schedule II.

Capital work-in-progress

Costs of fixed assets under construction are disclosed under capital work-in-progress. Advances paid towards acquisition or construction of fixed assets or intangible assets is included as capital advances under long term loans and advances.

c) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets in accordance with notified Accounting Standard 16 "Borrowing costs". A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

d) Investments

Investments are classified as non-current or current investments, based on management's intention. Investments that are readily realizable and intended to be held not more than a year are classified as current investments. All other investments are classified as non-current investments.

Current investments are stated at lower of cost and fair value determined on an individual investment basis. Non-current investments are stated at cost less provision for diminution in their value, other than temporary, if made in the financial statements.

e) Impairment of assets

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 recognized are accordingly reversed in the statement of profit and loss.

f) Employee benefits

The Company's contribution to provident fund and employee state insurance schemes is charged to the statement of profit and loss or inventorized as a part of real estate project under development, as the case may be. The Company's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan.

The Company has unfunded gratuity (defined benefit plan) and compensated absences for its employees, the liability for which is determined on the basis of actuarial valuation, conducted annually, by an independent actuary using projected unit credit method, in accordance with notified Accounting Standard 15 (Revised 2005) – 'Employee Benefits'. Actuarial gains and losses are either recognized in the statement of profit and loss or inventorized as a part of real estate project under development, as the case may be.

Expense in respect of other short-term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

g) Leases

Lease payments under operating leases are recognised as expense in the Statement of Profit and Loss over the lease term.

h) Foreign currency transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the exchange rate between the reporting currency and the foreign currency at the date of the transaction to the foreign currency amount.

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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016

Conversion

Foreign currency monetary items are converted to reporting currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on settlement, or restatement as at reporting date, of long term foreign currency monetary items, at rates different from those at which they were initially recorded, in so far as it relates to acquisition of depreciable capital asset are added to or deducted from cost of such capital asset and depreciated or amortized over remaining useful life of the asset.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise except those arising from investments in non-integral operations.

Exchange differences arising on monetary items that in substance forms part of the Company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognized in the statement of profit and loss.

i) Taxes on income

Current tax

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations.

Minimum alternate tax ("MAT") credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

Deferred tax

Deferred tax resulting from timing differences between taxable income and accounting income is accounted for at the current rate of tax or substantively enacted tax rates as at reporting date, to the extent that the timing differences are expected to crystallize.

Deferred tax assets are recognized where realization is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that such deferred tax assets will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date.

j) Provisions, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or,
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

k) Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1) Share issue expenses

Share issue expenses are adjusted against securities premium account to the extent of balance available and thereafter, the balance portion is charged off to the statement of profit and loss, as incurred.

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	As at March 31, 2016		As at March 31, 2015	
Note - 4				
SHARE CAPITAL				
i. Authorised	No. of shares		No. of shares	
Equity shares of face value of `10 each	10,000,000	100,000,000	10,000,000	100,000,000
ii. Issued, subscribed and fully paid up				
Equity shares of face value of `10 each	No. of shares		No. of shares	
Balance at the beginning of the year	10,000,000	100,000,000	5,000,000	50,000,000
Addition during the year	-	-	5,000,000	50,000,000
Total of share capital	10,000,000	100,000,000	10,000,000	100,000,000

- iii. The entire equity share capital of the Company is held by holding company - Albasta Wholesale services Limited and its nominees w.e.f. December 22, 2014. Prior to this entire equity share capital of the Company was held by Indiabulls Real Estate Limited and its nominees.
- In accordance with the to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013, the members of the company at their Extraordinary General Meeting held on March 19, 2015, accorded their approval to change the authorizes share capital with applicable Rules, and the Articles of Association of the Company, the Authorized share capital of the Company be and is hereby increased from ` 50,000,000 divided into 5,000,000 Equity Shares of ` 10 each to ` 100,000,000 divided into 10,000,000 Equity Shares of ` 10 each. Paid capital of company increased from ` 50,000,000 divided into 5,000,000 Equity Shares of ` 10 each to ` 100,000,000 divided into 10,000,000 Equity Shares of ` 10 each.

The holders of equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In the event of liquidation of the Company, the remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date. All shares rank equally with regards to Company's residual assets.

- iv. **Share holding in excess of 5% of share capital:**

Equity share capital:

- Number of shareholders (including their nominees)	1	1
- Number of shares held	10,000,000	10,000,000

Note - 5

RESERVES AND SURPLUS

(Deficit)/ Surplus as per statement of Profit and loss

Balance as at the beginning of the year	(265,379,920)		(443,160,248)	
Less: Adjustment due to depreciation*	-		(336,666)	
Add: (Loss)/profit for the year	(476,816,437)	(742,196,357)	178,116,994	(265,379,920)
Total of reserves and surplus	(742,196,357)		(265,379,920)	

* Impact of transitional provision provided in Note 7(b) of Schedule II of Companies Act 2013.

Note - 6A

LONG -TERM BORROWINGS

(Secured loans)

Loans from banks	2,934,160,293		-	
Less: Current Maturities of Long Term Debts	(43,931,577)	2,890,228,716	-	-

(Unsecured loans)

Loans from related parties		452,968,750		-
Total of long -term borrowings		3,343,197,466		-

Repayment terms and security for the outstanding long term borrowings from banks and financial institutions:

- i) During the year ended March 31, 2016, the Company has availed term loan of ` 1,350,000,000 from IndusInd Bank Limited with interest rate of 11.25% to 10.85% per annum (linked to bank's base rate) payable monthly, secured by exclusive charge on three aircrafts (Bombardier Challenger CL 600- 2B16 (CL-604), EC- 135 P2+ and Cessana 550 Bravo), exclusive charge on all current assets (present and future) with respect to aforesaid three aircrafts, receivable from assignment/hypothecation of lease agreements/take or pay/charter agreements in favour of the lender with respect to aforesaid three aircrafts, escrow account maintained with the bank for receivables from lease agreements/take or pay/charter agreements for aforesaid three aircrafts of the Company. The outstanding loan is repayable in 97 montly remaining installments. The outstanding balance as at March 31, 2016 is ` 546,175,893 (previous year ` Nil).
- ii) During the year ended March 31, 2016, the Company has availed buyers' credit to acquire an aircraft (Bombardier Global 5000) of USD 36,000,000 from Punjab National Bank with interest rate of 1.33% per annum (LIBOR plus spread 0.55%) payable yearly, secured by exclusive charge by way of registered mortgage on the aircraft being financed, corporate guarantee given by Indiabulls Wholesale Services Limited, assignment of insurance policy, exclusive charge over receivables arising from the Bombardier Global 5000, under escrow mechanism, exclusive charge by way of assignment over rights, titles, interest etc. and letter of comfort by Indiabulls Real Estate Limited. The buyers' credit is repayable after three years from date of disbursement. The outstanding balance as at March 31, 2016 is USD 36,000,000 (INR 2,387,984,400) (previous year ` Nil).

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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016

	As at March 31, 2016	As at March 31, 2015
Note - 6B		
SHORT TERM BORROWINGS		
(Secured loans)		
Term Loans		
- From Banks	-	970,000,000
(Unsecured loans)		
Loans from related party	-	22,557,975
Loans from others	1,000,000,000	1,233,000,000
Total of short -term Borrowings	1,000,000,000	2,225,557,975

Repayment terms and security for the outstanding short term borrowings from banks and financial institutions

- i) During the year ended March 31, 2015, the Company has availed term loan of ₹ 1,000,000,000 from Ratnakar Bank Limited with interest rate of 11.35% per annum (linked to bank's base rate) payable monthly, secured by exclusive charge on four aircrafts (Bombardier Challenger- 604, Bombardier Challenger- 850, Citation Bravo- 550 and Eurocopter EC- 135), exclusive charge over the present and future current assets of the borrower including book debts, receivables, escrow account, cash and bank, loans and advances etc, DSRA of ₹ 20,000,000, corporate guarantee of Indiabulls Wholesale Services Limited and letter of responsibility and shortfall undertaking from Indiabulls Real Estate Limited. The loan was fully repaid during the year and outstanding balance as at March 31, 2016 is ₹ Nil (previous year ₹ 970,000,000).
- ii) During the year ended March 31, 2016, the Company has availed unsecured loan from Reliance Capital Limited with interest rate of 12.00% per annum payable yearly. The loan was repayable after 1 year from date of agreement. The outstanding balance as on March 31, 2016 is ₹ 1,000,000,000 (previous year ₹ Nil).

Note - 7A

OTHER LONG TERM LIABILITIES

Security deposit from customer	950,000,000	100,000,000
Total of long -term liabilities	950,000,000	100,000,000

Note - 7B

OTHER CURRENT LIABILITIES

Current maturities of long term loans (Refer note- 6A)	43,931,577	-
Interest accrued on:		
-Bank term loan	23,012,050	301,630
-Other Loans	94,131,148	33,643,139
Payable to statutory and government authorities	13,294,184	7,548,700
Expenses payable	10,424,380	8,722,750
Total of other current liabilities	184,793,339	50,216,219

Note - 8A

LONG TERM PROVISIONS

Provision for employee benefits:		
Gratuity	6,352,573	4,541,106
Compensated absences	3,183,378	1,921,830
Total of long term provisions	9,535,951	6,462,936

Note - 8B

SHORT TERM PROVISIONS

Provision for employee benefits:		
Gratuity	150,237	121,901
Compensated absences	70,824	469,092
Total of short term provisions	221,061	590,993

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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016

As at
March 31, 2016

As at
March 31, 2015

Note - 9

TRADE PAYABLES

A. Payable to micro enterprises and small enterprises

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"):

Particulars	Amount (₹)
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil

The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

B. Other payables

Payable to others	41,057,951	24,421,607
Total of trade payables	41,057,951	24,421,607

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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016

Note - 10
FIXED ASSETS

(Amount in `)

Particulars	Tangible assets							Capital work in progress	Total of fixed assets
	Aircrafts**	Plant and equipments	Office equipments	Computers	Furniture and fixtures	Vehicles	Total of tangible assets		
Gross block (at cost)									
As at April 1, 2014	2,598,491,053	3,559,009	798,765	955,401	339,957	2,783,070	2,606,927,255	-	2,606,927,255
Additions during the year	-	-	327,100	-	-	-	327,100	62,590,800	62,917,900
Sale/disposed off during the year	-	-	-	-	-	-	-	-	-
As at March 31, 2015	2,598,491,053	3,559,009	1,125,865	955,401	339,957	2,783,070	2,607,254,355	62,590,800	2,669,845,155
Additions during the year	2,773,235,873	-	235,742	207,636	290,497	-	2,773,969,748	-	2,773,969,748
Sale/disposed off during the year	-	-	-	-	-	-	-	(62,590,800)	(62,590,800)
As at March 31, 2016	5,371,726,926	3,559,009	1,361,607	1,163,037	630,454	2,783,070	5,381,224,103	-	5,381,224,103
Accumulated depreciation/amortisation									
As at April 1, 2014	679,912,850	2,285,632	239,522	449,325	104,870	1,143,077	684,135,276	-	684,135,276
Depreciation/amortisation for the year	126,351,228	200,779	467,344	367,404	43,430	496,757	127,926,942	-	127,926,942
Sale/disposed off during the year	-	-	-	-	-	-	-	-	-
As at March 31, 2015	806,264,078	2,486,411	706,866	816,729	148,300	1,639,834	812,062,218	-	812,062,218
Depreciation/amortisation for the year	217,658,271	200,780	184,725	182,892	66,683	451,289	218,744,640	-	218,744,640
Sale/disposed off during the year	-	-	-	-	-	-	-	-	-
As at March 31, 2016	1,023,922,349	2,687,191	891,591	999,621	214,983	2,091,123	1,030,806,858	-	1,030,806,858
Net block									
As at March 31, 2016	4,347,804,577	871,818	470,016	163,416	415,472	691,947	4,350,417,246	-	4,350,417,246
As at March 31, 2015	1,792,226,975	1,072,598	418,999	138,672	191,657	1,143,236	1,795,192,137	62,590,800	1,857,782,937

*Effective from April 01, 2014, the Company has started providing depreciation based on the revised useful life of the assets as per the requirement of Schedule II of the Companies Act, 2013 or useful life as assessed by the company. Therefore, based on transitional provision provided in Note 7 (b) of Schedule II, the carrying value of assets which has completed its depreciation period as on April 01, 2014 has been charged to the opening balance of statement of profit and loss as on that date.

**Details of foreign exchange loss/(gain) on translation of long-term foreign currency borrowing capitalized and amortized during the year:

Particulars	Tangible asset- Aircraft
Exchange loss /(gain) capitalized	
As at April 1, 2014	245,970,490
Additions during the year	-
As at March 31, 2015	245,970,490
Additions during the year	101,624,400
As at March 31, 2016	347,594,890
Exchange loss / (gain) amortized	
As at April 1, 2014	23,945,373
Amortized during the year	13,533,595
As at March 31, 2015	37,478,968
Amortized during the year	16,879,426
As at March 31, 2016	54,358,394
Net block of exchange loss/(gain)	
As at March 31, 2016	293,236,496
As at March 31, 2015	208,491,522

*** For mortgage details on aircrafts, please refer note 6A and note 6B.

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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016

	As at March 31, 2016		As at March 31, 2015	
Note - 11A				
LONG TERM LOANS AND ADVANCES				
(Unsecured, considered good)				
Security deposits				
- others	14,889,993	14,889,993	13,633,862	13,633,862
Prepaid expenses		123,850		34,538
Advance income tax, including tax deducted at source		118,437,374		138,672,407
Total of Long- term loans and advances		133,451,217		152,340,807
Note - 11B				
SHORT TERM LOANS AND ADVANCES				
(Unsecured, considered good)				
Security deposits - premises		-		1,200,000
Advance to suppliers		24,320,500		944,791
Prepaid expenses		6,867,247		6,357,261
Balances with statutory authorities		638,589		280,415
Other receivables		2,077,251		1,234,848
Total of short- term loans and advances		33,903,587		10,017,315
Note - 12				
TRADE RECEIVABLES				
(Unsecured, considered good)				
Debts outstanding for a period exceeding six months	65,685,109		35,645,897	
Other debts	174,102,095	239,787,204	111,241,541	146,887,438
Total of trade receivables		239,787,204		146,887,438
Note - 13				
CASH AND CASH EQUIVALENTS				
Cash and bank balances				
Cash on hand		1,293,807		1,214,978
Foreign currency on hand		-		181,368
Balances with banks				
- in current accounts	27,127,969		5,607,766	
- in fixed deposit with maturity upto 12 months*	50,600,000	77,727,969	20,000,000	25,607,766
Total of cash and bank balances		79,021,776		27,004,112
<i>* Fixed deposits of ` 50,600,000 (previous year ` 20,000,000) are under lien with bank against term loan taken from bank.</i>				
Note - 14				
OTHER CURRENT ASSETS				
(Unsecured, considered good)				
Interest accrued on:				
- fixed deposits with banks		2,195,865		4,685
Total of other current assets		2,195,865		4,685

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	For the year ended March 31, 2016	For the year ended March 31, 2015
Note - 15		
REVENUE FROM OPERATIONS		
Revenue from passenger air transportation	444,165,508	359,980,172
Revenue from pilot hire income	-	139,900
Other operating income	38,514,109	290,000,000
Total of revenue from operations	482,679,617	650,120,072
Note - 16		
OTHER INCOME		
Interest income on fixed deposits	3,185,164	473,699
Dividend income on units of mutual funds	2,884,543	181,898
Interest on inter-corporate deposits - gross	210,246	-
Unrealised foreign exchange gain	-	37,981
Interest income on income tax refund	7,144,981	-
Miscellaneous income	88,527	5,812
Total of other income	13,513,461	699,390
Note - 17		
OPERATING EXPENSES		
Professional charges	19,180,211	9,977,300
Travelling and conveyance expenses	10,285,760	9,377,093
Power and fuel expenses	42,393,557	34,338,649
Aircraft maintenance charges	116,472,662	109,125,737
Crew accommodation charges	8,987,167	5,092,477
Landing and handling charges	35,170,665	24,859,092
Navigation and flight planning charges	7,668,907	5,845,722
Subscription charges	7,347,197	6,482,404
Catering expenses	3,742,159	2,542,808
Hire charges	5,759,400	2,250,937
Training expenses	14,665,905	10,939,027
Total of operating expenses	271,673,590	220,831,246
Note - 18		
EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	85,546,376	66,378,693
Contribution to provident fund and other funds	101,844	59,512
Staff welfare expenses	8,705,831	5,457,705
Total of Employee benefit expenses	94,354,051	71,895,910
Note - 19		
FINANCE COSTS		
Bank charges & commission	62,500,000	10,000,000
Foreign exchange loss - realized	12,764,918	-
Interest expenses on:		
- inter corporate deposits	84,613,875	38,112,130
- borrowings from banks and others	211,543,710	28,008,068
- income tax and service tax	37,547	9,448
- optionally convertible debentures	-	15,764
Total of finance costs	371,460,050	76,145,410

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	For the year ended March 31, 2016	For the year ended March 31, 2015
Note - 20		
OTHER EXPENSES		
Auditor's remuneration *	251,250	250,000
Bank charges	1,475,641	318,656
Communication expenses	1,218,725	1,050,343
Foreign exchange losses		
-realized	89,409	-
-unrealized	19,080	-
Insurance expenses	7,980,411	5,348,964
Corporate social responsibility expenses	2,020,000	1,270,000
Legal and professional charges	2,000	200,000
Power and fuel expenses	133,711	292,689
Printing and stationery	336,126	147,512
Rates and taxes	782,259	757,542
Rent expenses	93,167	2,790,000
Repairs and maintenance		
-vehicles	438,196	307,740
-others	1,487,416	507,903
Sales and marketing expenses	26,465	58,740
Traveling and conveyance expenses	195,000	62,268
Miscellaneous expenses	702,841	269,000
Total of other expenses	17,251,697	13,631,357

* Including non-deductible taxes

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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016

21. Income tax

Current Tax

The company has computed its Current tax expense after considering the normal tax provisions as per Income Tax Act, 1961.

The current tax for the year includes earlier year tax credit of ` 474,513 (Previous year: Nil). Current tax also includes MAT of ` nil (previous year: `10,440,783). The company has not recognized any MAT credit entitlement considering that there is convincing evidence that the company will pay normal income tax during the specified period as per section 115JAA of Income Tax Act, 1961.

Deferred tax

In compliance with Accounting Standard 22 (AS 22) – ‘Accounting for taxes on income’, as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the Company has recognized deferred tax credit of ` nil (previous year: ` 47,832,516) in the statement of profit and loss during the year ended March 31, 2016.

The breakup of deferred tax assets as at March 31, 2016 into major components is as under:

Particulars	As at March 31, 2016	As at March 31, 2015
<i>Deferred tax asset on account of:</i>		
- Accumulated losses	47,832,516	47,832,516
Deferred tax assets/(liability), net	47,832,516	47,832,516

22. Earnings per equity share

Basic earning per share is computed by dividing the net profit/(loss) attributable to equity shareholders, for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential diluted equity shares are adjusted for stock split, bonus shares and the potential dilutive effect of Employee Stock Option Plans as appropriate.

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit/ (Loss) available for equity shareholders	(476,816,437)	178,116,994
Weighted average number of shares used in computing basic and diluted earnings per share	10,000,000	10,000,000
Face value per equity share	10	10
Basic and diluted earnings per equity share	(47.68)	17.81

23. Operating leases

The company has taken office and other premises on operating lease at various locations and lease rent of ` 93,167 (Previous year ` 2,790,000) in respect of the same has been charged to statement of profit and loss. The underlying agreements are executed for a year generally ranging from one year to three years, renewable at the option of the Company and the lessor and are cancellable in some cases, by either party by giving a notice generally upto 90 days. There are no restrictions imposed by such leases and there are no subleases. The minimum lease rentals payable in respect of such operating leases are as under:

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Minimum Lease Rentals	As at March 31, 2016	As at March 31, 2015
Within one year	-	93,167
Later than one year but not later than five years	-	-
Total	-	93,167

24. Segmental information

The Company's primary business segment is reflected based on principal business activities carried on by the Company i.e. rendering non-scheduled aircraft passenger services, including helicopter charter services, aircraft management consultancy and all other related and ancillary activities, which as per Accounting Standard 17 on "Segment Reporting" as specified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) is considered to be the only reportable business segment. The Company is operating in India which is considered as a single geographical segment.

25. Employee benefits

Gratuity benefits

In accordance with "The Payment of Gratuity Act, 1972", the Company provides for gratuity a defined benefit retirement plan (the "Gratuity Plan") covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment. The amount of payment is based on the respective employee's last drawn salary and the years of employment with the Company. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation and this plan is unfunded. The Company had charged `2,975,047 (previous year: `1,053,286) during the year ended March 31, 2016 and the amount outstanding as at March 31, 2016 is `6,502,810 (previous year: `4,663,007).

Compensated absences

Eligible employees are entitled to accumulate compensated absences up to prescribed limits in accordance with the Company's policy and receive cash in lieu thereof. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Such measurement is based on actuarial valuation as at balance sheet date carried out by a qualified actuary. The Company had charged `863,280 (previous year: `238,141) during the period ended March 31, 2016 and the amount outstanding as at March 31, 2016 is `3,254,202 (previous year: `2,390,922).

Details of the employee benefits cost recognized during the year are as below:

Particulars	Gratuity benefits		Compensated absences	
	For the year ended		For the year ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Service cost	1,503,544	1,195,384	974,482	682,400
Interest cost	361,383	306,826	185,296	182,986
Actuarial (gain)/loss, net	1,110,120	(448,924)	(296,498)	(627,245)
Cost recognized during the year	2,975,047	1,053,286	863,280	238,141

Details of the employee benefits obligation are provided below:

Particulars	Gratuity benefits		Compensated absences	
	For the year ended		For the year ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Obligation at the beginning of the year	4,663,007	3,609,721	2,390,922	2,152,781
Cost recognized during the year	2,975,047	1,053,286	863,280	238,141

Airmid Aviation Services Limited
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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016

Benefits Paid	(1,135,244)	-	-	-
Obligation at the end of the year	6,502,810	4,663,007	3,254,202	2,390,922

The assumptions used to determine cost include:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Discount rate	7.75	7.75
Salary escalation rate	5.00	5.00
Mortality table	IALM (2006-08)	IALM (2006-08)

26. Related party transactions

Disclosures in respect of Accounting Standard (AS) – 18 ‘Related party disclosures’, as specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended:

i) Name and nature of relationship with related parties:

Relationship	Name of the related parties
a) Related parties exercising control	
- Holding Company	Albasta Wholesale Services Limited (from December 23, 2014)
- Erstwhile Holding Company	Indiabulls Real Estate Limited (till December 22, 2014)
- Ultimate Holding Company	Indiabulls Wholesale Services Limited (from December 23, 2014)
b) Other related parties	
- Fellow Subsidiary Companies	Store One Retail India Limited* Lucina Land Development Limited** Indiabulls Construction Limited** Varali Properties Limited**

* With whom transactions have been entered during the current year/after the period from 23rd Dec 2014.

**With whom transactions have been entered upto 22nd Dec 2014.

ii) Statement of material transaction with related parties:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Inter Corporate Deposits taken/(repaid), net		
<i>Ultimate Holding Company</i>		
- Indiabulls Wholesale Services Limited	434,780,000	-
<i>Holding Company</i>		
- Albasta Wholesale Services Limited	(4,369,225)	22,557,975
<i>Erstwhile Holding Company</i>		
- Indiabulls Real Estate Limited	-	(283,250,000)
Inter Corporate Deposit given/(received back), net		
<i>Holding Company:</i>		
- Albasta Wholesale Services Limited	-	-
Optionally Convertible Debentures issued/(redeemed), net		
<i>Fellow Subsidiary Company</i>		

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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016

- Indiabulls Constructions Limited	-	(2,100,000,000)
Revenue from Passanger Air Transportation		
<i>Fellow Subsidiary Compnay</i>		
- Lucina Land Development Limited	-	63,301,000
- Store One Retail India Limited	133,030,626	30,934,000
Project Management Consultancy Income		
<i>Fellow Subsidiary Compnay</i>		
- Varali Properties Limited	-	90,000,000
Interest Expense on Optionally Convertible Debentures		
<i>Fellow Subsidiary Compnay</i>		
- Indiabulls Constructions Limited	-	15,764
Interest Expense on Inter Corporate Deposits taken		
<i>Holding Compnay</i>		
- Albasta Wholesale Services Limited	3,841,667	97,430
iii) Indiabulls Real Estate Limited	-	730,863
Interest Income on Inter Corporate Deposits given		
<i>Holding Compnay</i>		
- Albasta Wholesale Services Limited	210,246	-

ement of maximum balance outstanding at any time during the year:

Particulars	As at March 31, 2016	As at March 31, 2015
Inter Corporate Deposit taken from:		
<i>Ultimate Holding Company:</i>		
- Indiabulls Wholesale Services Limited	434,780,000	-
<i>Holding Company</i>		
- Albasta Wholesale Services Limited	79,999,750	22,557,975
- Indiabulls Real Estate Limited		337,910,000
Inter Corporate Deposit given		
<i>Holding Company:</i>		
- Albasta Wholesale Services Limited	65,000,000	-

iv) Statement of balances outstanding:

Particulars	As at March 31, 2016	As at March 31, 2015
Inter Corporate Deposit taken from:		
<i>Holding Company</i>		
- Albasta Wholesale Services Limited	18,188,750	22,557,975
<i>Ultimate Holding Company</i>		
- Indiabulls Wholesale Services Limited	434,780,000	-
Trade receivables		
<i>Fellow Subsidiary Compnay</i>		
- Store One Retail India Limited	25,762,500	34,138,763
Interest payable on inter corporate deposit		
<i>Holding Company</i>		
- Albasta Wholesale Services Limited*	-	87,687

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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016

Transactions and outstanding corporate guarantees taken by the company are disclosed in note 6A and note 6B.

In accordance with AS 18, disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed. Related party relationships, as given above, are as identified by the Company and have been relied upon by the auditors.

27. Income and Expenditure in Foreign Currency on accrual basis:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Expenses in foreign currency		
Aircraft maintenance	37,061,805	39,237,042
Finance charges	35,614,612	-
Other operating expenses	70,650,017	37,048,579
Total expenses in foreign currency	143,326,434	76,285,621
Income in foreign currency		
Revenue from Passanger Air Transportation	21,320,787	16,439,914

Value of imports calculated on CIF basis:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Spare parts and consumables	17,848,429	8,902,486

28. Contingent liabilities and commitments

The Company has certain litigation cases pending, however, based on legal advice, the management does not expect any unfavourable outcome resulting in material adverse effect on the financial position of the Company.

As per the best estimate of the management, no provision is required to be made in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

There are no commitments to be reported as at March 31, 2016 and March 31, 2015.

29. Corporate social responsibility expenses

(a) Gross amount required to be spent by the company during the year: ` 2,020,000 (previous year: ` 1,270,000)

(b) Amount spent during the year on:

S. No.	Particulars	Paid in cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
		-	-	-
(ii)	On purposes other than (i) above	2,020,000	-	2,020,000
		<i>1,270,000</i>	-	<i>1,270,000</i>

* Previous year figures are shown in italics.

30. The Company has not entered into any derivative instrument during the year. The value of unhedged foreign Currency exposure, as of reporting date, is as below:

Airmid Aviation Services Limited
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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016

Particulars	As at March 31, 2016		As at March 31, 2015	
	(In USD)	(In `)	(In USD)	(In `)
Trade payables	292,693	19,415,143	173,856	10,881,786
Security deposits given	15,000	994,993	15,000	938,862
Capital advance for purchase of aircraft	-	-	1,000,000	62,590,800
Buyers credit from bank	36,000,000	2,387,984,400	-	-
Interest payable on buyers credit from bank	344,470	22,849,694	-	-

Particulars	As at March 31, 2016		As at March 31, 2015	
	(In Euro)	(In `)	(In Euro)	(In `)
Trade payables	5,002	375,610	2,192	147,983

Particulars	As at March 31, 2016		As at March 31, 2015	
	(In GBP)	(In `)	(In GBP)	(In `)
Trade payables	5,662	538,343	-	-

31. In respect of amounts as mentioned under Section 205C of the Companies Act, 1956, there were no dues required to be credited to the Investor Education and Protection Fund as at March 31, 2016 and March 31, 2015.
32. In the opinion of the Board of Directors, all current assets and long term loans & advances, appearing in the balance sheet as at March 31, 2016, have a value on realization, in the ordinary course of the Company's business, at least equal to the amount at which they are stated in the financial statements. In the opinion of the board of directors, no provision is required to be made against the recoverability of these balances.
33. Previous year figures have been regrouped and/or reclassified wherever necessary to conform to those of the current year grouping and/or classification.

For Agarwal Prakash & Co.
Chartered Accounts
FRN: 005975N

For and on behalf of Board of Directors

Vikas Aggarwal
Partner

Anil Malhan
Director
DIN: 01542646

Gurbans Singh
Director
DIN: 06667127

Place: New Delhi
Date: May 04, 2016

Namrata Gupta
Company Secretary

Saurbah Garg
Chief Financial Officer