

Reliance Commercial Dealers Limited

Independent Auditor's Report

TO THE MEMBERS OF RELIANCE COMMERCIAL DEALERS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying Financial Statements of **Reliance Commercial Dealers Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as "Standalone Ind AS Financial Statements")

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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereafter.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 Ind AS 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 Ind AS Financial Statements based on our audit.

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

We conducted our audit of the Ind AS Financial Statements 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 Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 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 including the Ind AS, of the state of affairs of the Company as at March 31, 2018, and its profit and loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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- 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereafter.
- e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
1. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements as referred to in Note 29 to the financial statements.
 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.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Rajendra & Co.**
Chartered Accountants
(Registration no. 108355W)

K. K. DESAI
Partner
Membership No.: 100805

Place: Mumbai
Date: April 18, 2018

ANNEXURE “A”**TO THE INDEPENDENT AUDITOR’S REPORT ON THE IND AS FINANCIAL STATEMENTS OF RELIANCE COMMERCIAL DEALERS LIMITED**

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUBSECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

We have audited the Internal Financial Control over financial reporting of **RELIANCE COMMERCIAL DEALERS LIMITED** (“the company”) as of 31st March, 2018 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year then ended.

MANAGEMENT RESPONSIBILITY FOR THE 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 (the “Guidance Note”) 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 Act.

AUDITOR’S 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 issued by ICAI and the Standards on auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 was 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 judgment, 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 Ind AS 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 Ind AS 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, to the best of our information and according to the explanations given to us, 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 31st March, 2018, 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.

For **Rajendra & Co.**
Chartered Accountants
(Registration no. 108355W)

K. K. DESAI
Partner
Membership No.: 100805

Place: Mumbai
Date: April 18, 2018

“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT ON THE IND AS FINANCIAL STATEMENTS OF RELIANCE COMMERCIAL DEALERS LIMITED

(REFERRED TO IN PARAGRAPH 2 UNDER THE HEADING OF “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE)

- i.** In respect of its fixed assets :
- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. As the Company has no immovable assets during the year, clause (c) (i) of paragraph 3 of the Order is not applicable to the company.
- ii.** As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.
- iii.** According to the information and explanations given to us, The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) of paragraph 3 of the Order is not applicable to the Company.
- iv.** The Company has not granted any loan, investment, guarantees or securities covered under section 185 and 186 of the Act.
- v.** According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi.** To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.
- 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 31st March, 2018 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, the disputed dues on account of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess that have not been deposited before appropriate authorities are as under:

Sr. No.	Name of the Statue	Nature of Dues	Amount (In Crore)	Period to which amount relates	Forum where dispute is pending
1	Custom Act 1962	Custom Duty (including Interest and Penalty)	379.54	Various years from 2003-04 to 2015-16	Assistant Commissioner of Custom
2	Mumbai Municipal Corporation (levy) of Octroi Rules 1956	Octroi Duty	0.40	2008-09	Supreme Court of India
3.	Central Excise Act, 1944	Service Tax	18.27	Various years from 2008-09 to 2010-11	
Total			398.21		

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- viii. In our opinion and according to the information given to us, the Company has not raised loans from financial institutions or banks or government and no amounts were due for repayments to debenture holders; hence clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix. The company has not raised money by way of initial public offer or further public offer (including debt instruments) or terms loans hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- x. Based on the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS Financial Statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion company is not a Nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the Ind AS Financial Statements etc., as required by the applicable accounting standards.
- xiv. In our opinion and 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 and hence clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi. To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Rajendra & Co.
Chartered Accountants
(Registration no. 108355W)

K. K. DESAI
Partner
Membership No.: 100805

Place: Mumbai
Date: April 18, 2018

Balance Sheet as at 31st March 2018

	Note	(Amount in ₹ crores)	
		As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	1	212.93	175.20
Non Financial Assets			
Other Non-current assets	2	61.64	128.27
Total Non-Current assets		274.57	303.48
Current assets			
Inventories	3	17.09	14.04
Financial Assets			
Investments	4	7.38	0.17
Trade receivables	5	195.19	77.80
Cash and cash equivalents	6	0.91	1.13
Loans	7	9.88	44.0
Other Current Assets	9	12.10	6.77
Total Current assets		242.54	143.91
Total Assets		517.11	447.38
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	10	15.00	15.00
Other Equity	11	211.53	207.51
Total equity		226.53	222.51
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	12	240.00	175.00
Provisions	13	1.61	1.58
Deferred Tax Liability (net)	14	3.19	6.05
Total non-current liabilities		244.80	182.63
Current liabilities			
Financial Liabilities			
Trade payables	15	36.71	39.25
Other Current Liabilities	16	8.49	1.43
Provisions	17	0.58	1.56
Total current liabilities		45.78	42.25
Total Liabilities		290.58	224.88
Total Equity and Liabilities		517.11	447.38

Significant accounting policies

Notes on financial statements

1 to 34

As per our Report of even date

For and on behalf of the Board

For Rajendra & Co.

Chartered Accountants
(Firm Registration No. 108355W)

K.K. Desai

Partner
Membership No. -100805

Date: April 18, 2018

Nikhil R. Meswani
DirectorSandeep Junnarkar
DirectorSudhir Nayak
ManagerHital R. Meswani
DirectorVinit Phatak
DirectorDipti Baxi
Chief Financial OfficerP M S Prasad
DirectorGeeta Fulwadaya
DirectorRajendra Sawant
Company Secretary

Statement of Profit and Loss for the period ended 31st March 2018

	Note	(Amount in ₹ crores)	
		2017-18	2016-17
Income			
Revenue from operations			
Income from Services	18	511.05	411.02
Other income	19	8.07	2.33
Total Income		519.12	413.35
Expenses			
Employee benefits expense	20	41.41	42.06
Finance Cost	21	0.14	0.01
Depreciation and amortisation expense	1	82.81	40.69
Other expenses	22	394.11	329.74
Total expenses		518.47	412.50
Profit/(Loss) before tax		0.64	0.85
Tax expenses			
Current Tax		0.13	0.16
Deferred Tax		(3.21)	0.17
Profit for the Year		3.72	0.52
Other Comprehensive Income			
a) Items that will be reclassified to statement of profit and loss - (gratuity)	19.1(IV)	0.55	(0.48)
Income tax relating to item that will not be reclassified to profit/loss		(0.30)	0.17
Total Other Comprehensive Income		0.25	(0.31)
Total Comprehensive Income for the year		3.97	0.21
Earnings per equity share of face value of (₹) each			
Basic in ₹	24	2.48	0.35
Diluted in ₹	24	2.48	0.35
Significant accounting policies			
Notes on financial statements	1 to 34		

As per our Report of even date

For Rajendra & Co.
Chartered Accountants
(Firm Registration No. 108355W)

K.K. Desai
Partner
Membership No. -100805

Date: April 18, 2018

For and on behalf of the Board

Nikhil R. Meswani
Director

Sandeep Junnarkar
Director

Sudhir Nayak
Manager

Hital R. Meswani
Director

Vinit Phatak
Director

Dipti Baxi
Chief Financial Officer

P M S Prasad
Director

Geeta Fulwadaya
Director

Rajendra Sawant
Company Secretary

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(Amount in ₹ crores)

Balance at the beginning of the reporting period i.e. 1st April, 2017	Changes in equity share capital during the year 2017-18	Balance at the end of the reporting period i.e. 31st March, 2018
15.00	-	15.00

B. OTHER EQUITY

(Amount in ₹)

As on 31 March 2017	Reserves and Surplus		
	Instrument classified as equity	Retained Earnings	Other Comprehensive Income
Balance at the beginning of the reporting period i.e. 1st April, 2016	150.00	7.30	0.00
Zero coupon convertible loans from Associate companies	50.00	-	-
Adjustment related to Fixed Assets	-	(0.01)	-
Total Comprehensive Income for the year	-	0.52	(0.31)
Balance at the end of the Reporting period i.e. 31st March, 2017	200.00	7.82	(0.31)
As on 31 March 2018	Reserves and Surplus		
	Instrument classified as equity	Retained Earnings	Other Comprehensive Income
Balance at the beginning of the reporting period i.e. 1st April, 2017	200.00	7.82	(0.31)
Zero coupon convertible loans from Associate companies	-	-	-
Adjustment related to Fixed Assets	-	0.06	-
Total Comprehensive Income for the year	-	4.38	0.42
Balance at the end of the Reporting period i.e. 31st March, 2018	200.00	12.25	0.11

As per our Report of even date

For Rajendra & Co.
Chartered Accountants
(Firm Registration No. 108355W)

K.K. Desai
Partner
Membership No. -100805

Date: April 18, 2018

For and on behalf of the Board

Nikhil R. Meswani
Director

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Director

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Director

Vinit Phatak
Director

Dipti Baxi
Chief Financial Officer

P M S Prasad
Director

Geeta Fulwadaya
Director

Rajendra Sawant
Company Secretary

Cash Flow Statement for the year ended 31st March 2018

	2017-18	(Amount in ₹ crores) 2016-17
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) before tax as per Profit and Loss Statement	0.64	0.85
Adjusted for:		
(Profit)/ loss on sale/ discarding of assets (net)	0.01	-
Depreciation	82.81	40.69
W/off of Lease improvements	12.08	
Effect of exchange rate change Unrealised	21.67	0.06
Profit on sale of investments (net)	(1.23)	(2.10)
Profit on sale of asset (Net)	(0.04)	(0.09)
	<u>115.30</u>	<u>38.55</u>
Operating profit/ (loss) before working capital changes	115.95	39.41
Adjusted for:		
Trade and other receivables	(89.28)	(72.31)
Inventories	(3.05)	3.93
Trade and other payables	(12.80)	5.38
	<u>(105.13)</u>	<u>(62.99)</u>
Cash generated from operations	10.82	(23.58)
Taxes paid	0.98	(2.77)
Net cash from/ (used in) operating activities	11.80	(26.36)
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(132.69)	(14.83)
Reduction/(Increase) in Capital Work In Progress (Capital Advances)	61.06	(49.45)
Sale of fixed assets	0.06	0.16
Purchase of current investments	(5.98)	41.78
Net cash from/ (used in) investing activities	(77.55)	(22.35)
C: CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment)/Taken long term borrowings	70.00	50.00
	(5.00)	
Net cash from/ (used in) financing activities	65.00	50.00
Net increase/ (decrease) in cash and cash equivalents	(0.76)	1.30
Less:- Items that will not be reclassified to profit or loss	(0.55)	0.48
Gains/loss on actuarial valuation of gratuity		
Add:-Opening balance of cash and cash equivalents	1.13	0.31
Closing balance of cash and cash equivalents (Refer Note No. 6)	0.91	1.13

As per our Report of even date

For and on behalf of the Board

For Rajendra & Co.
Chartered Accountants
(Firm Registration No. 108355W)

K.K. Desai
Partner
Membership No. -100805

Date: April 18, 2018

Nikhil R. Meswani
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Chief Financial Officer

P M S Prasad
Director

Geeta Fulwadaya
Director

Rajendra Sawant
Company Secretary

Notes to the Financial statements / Significant accounting policies

A. CORPORATE INFORMATION

Reliance Commercial Dealers Limited ("the Company") is a company incorporated in India and is inter alia engaged in providing Air Transport services to its Passengers. The addresses of its registered office and principal place of business is 9th Floor, Maker Chambers IV 222, Nariman Point, Mumbai. Maharashtra.

B. ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules noticed under the relevant provisions of the companies Act, 2013.

Company's financial statements are presented in Indian Rupee (₹), which is also functional currency.

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- i) Certain financial assets and liabilities (including derivative instruments) measured at fair value,
- ii) Defined benefit plans - plan assets measured at fair value,

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment/Tangible assets:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow the entity and the cost can be measured reliably. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in case of Leasehold improvements on aircraft where the depreciation is being charged on Straight line method.

(b) Leased Assets

Operating Leases : Rentals are expensed with reference to lease terms and other considerations.

A leased asset is depreciated over the useful life of the asset.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss.

(c) Foreign currency transactions

- i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- iii) Non monetary foreign currency items are carried at cost.
- iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Statement except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

(d) Inventory

Items of inventories are measured at lower of cost or net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion, and other costs incurred in bringing them to their respective present location and condition.

Notes to the Financial statements / Significant accounting policies

(e) **Revenue recognition**

Revenue is recognised when it can be reliably measured and its is reasonable to expect ultimate collection. Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed. Revenue from Operations includes sale of goods and services adjusted for discounts (net) and service tax/ GST.

Interest Income

Interest Income from a financial asset is recognised using effective interest rate method.

Dividends

Revenue is recognised when the Company's right to receive the payments has been established.

(f) **Tax expenses**

The Tax expenses for the period comprise current and deferred tax. Tax is recognised in statement of profit and loss, except to the extent that it relates to item recognised in the Comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

- Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(g) **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(h) **Financial instruments**

(i) **Financial Assets**

A. Initial recognition and measurement:

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

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

Notes to the Financial statements / Significant accounting policies

b) Financial assets at fair value through other comprehensive income (FVTOCI)

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

c) Financial assets at fair value through profit or loss (FVTPL)

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

C. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment assessment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. Further the company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ii) Financial liabilities

A. Initial recognition and measurement:

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

B. Subsequent measurement:

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

iii) DE recognition of financial instruments:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and transfer qualifies for DE recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(j) Employee Benefits

(i) Employee Benefits Expense

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Notes to the Financial statements / Significant accounting policies

Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the company at the time of resignation/superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the Payment Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income.

Employee Separation Costs

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is charged to the Statement of Profit and Loss in the year of exercise of option by the employee.

C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

a) Depreciation and useful lives of property plant and equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

b) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

c) Provision

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash flow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. since the cash outflows can take place many years in future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

D. STANDARDS ISSUED BUT NOT EFFECTIVE

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

a) Issue of Ind AS 115 - Revenue from Contracts with Customers Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments following accounting standards. These are;

- i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- ii. Ind AS 40 - Investment Property
- iii. Ind AS 12 - Income Taxes
- iv. Ind AS 28 - Investments in Associates and Joint Ventures and
- v. Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's financial statements.

Notes on financial statements for the year ended 31st March, 2018

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation

1. Property, Plant & Equipment (Amount in ₹ crores)

Description	Gross block			Depreciation			Net block				
	As at 1st April, 2017	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March, 2018	As at 1st April, 2017	Additions/ Adjustments	Deductions/ Adjustments	For the year	Upto 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
Tangible assets											
Own assets:											
Aircrafts and Helicopters	318.11	132.47	(12.08)	438.49	149.55	0.06	0.01	80.73	230.35	208.14	168.55
Vehicles	1.76	0.02	(0.46)	1.32	1.55	(0.00)	(0.44)	0.08	1.18	0.14	0.21
Aircraft Pushback Tractor	0.35	-	-	0.35	0.33	-	-	-	0.33	0.02	0.02
Equipment	9.35	0.21	(0.03)	9.52	3.13	(0.00)	-	1.94	5.07	4.46	6.22
Furniture and fixtures	0.95	0.02	0.02	0.99	0.75	-	-	0.06	0.81	0.18	0.20
Total	330.51	132.72	(12.55)	450.68	155.31	0.06	(0.43)	82.81	237.74	212.93	175.20
Previous year	315.95	14.83	0.27	330.51	114.82	-	0.20	40.69	155.31	175.20	201.09

Notes on financial statements for the year ended 31st March, 2018

		(Amount in ₹ crores)	
		As at	As at
		31st March, 2018	31st March, 2017
2	Other Non-current assets		
	(unsecured and considered good)		
	Capital Advances	41.89	102.95
	Deposits	3.39	2.70
	Advances Income Tax (Net of Provision)	16.36	22.63
	Total	61.64	128.27
	Other Non-current assets		
	Advance Income Tax (Net of Provision)		
	At start of year	22.63	20.02
	Charge for the year	(0.24)	2.61
	Refund received during the year	(6.98)	-
	Others*		(0.17)
	Tax paid during the year	0.94	0.16
	At end of year	16.35	22.63
	* Mainly pertains to Provision for tax on Other Comprehensive Income		
			(Amount in ₹ crores)
		As at	As at
		31st March, 2018	31st March, 2017
3	Inventories		
	(valued at lower of cost and net realisable value)		
	Stores & Spares	17.09	14.04
	Total	17.09	14.04
			(Amount in ₹ crores)
4	Current investments		
	Investments measured at Fair Value through Profit & Loss		
	Investment in mutual funds		
	In Units - Unquoted		
	ICICI Prudential Institutional Liquid Plan-Super		
	Institutional Growth Plan- Liquid SIP	7.38	0.17
	No. of units:- 2,88,157.90 (6,912.47)		
	Total of Investments measured at Fair Value Through Profit & Loss	7.38	0.17
	Aggregate value of		
	Unquoted investments	7.38	0.17
			(Amount in ₹ crores)
4.1	Category-wise current investment		
	Financial assets carried at amortised cost	-	-
	Financial assets measured at Fair value through other comprehensive income	-	-
	Financial assets measured at Fair value through Profit & Loss	7.38	0.17
		7.38	0.17

Notes on financial statements for the year ended 31st March, 2018

(Amount in ₹ crores)		
	As at 31st March, 2018	As at 31st March, 2017
5. Trade Receivables (unsecured and considered good)		
Receivables from Related Parties	195.04	77.80
Other Trade Receivable	0.15	0.15
Total	195.19	77.80
(Amount in ₹ crores)		
	As at 31st March, 2018	As at 31st March, 2017
6. Cash and Bank Balances		
Cash & cash equivalents		
Balance with banks - In current Account	0.91	1.13
Total	0.91	1.13
(Amount in ₹ crores)		
	As at 31st March, 2018	As at 31st March, 2017
7. Loans (unsecured and considered good)		
Loans Others*	9.88	44.00
Total	9.88	44.00
* Includes advances to employees and vendors		
(Amount in ₹ crores)		
	Year Ended 31st March, 2018 Apr'17 - Mar'18	Year Ended 31st March, 2017 Apr'16 - Mar'17
8. Taxation Note		
Income Tax recognised in Statement of Profit and Loss		
Current Tax	0.24	0.16
Deferred Tax	(3.02)	0.00
Total Income Tax expenses	(2.78)	0.17
The income Tax expenses for the year can be reconciled to the accounting profit as follows:		
Particulars	Apr'17 - Mar'18	Apr'16 - Mar'17
Profit Before Tax	0.64	0.85
Applicable Tax Rate	34.608%	34.61%
Computed Tax Expense	0.22	0.30
Tax effect of :		
Exempted Income	85.14	43.78
Additional Allowances net of MAT Credit	(79.60)	(39.93)
Carried Forward Losses Utilised	(5.51)	(3.99)
Current Tax Provision (A)	0.24	0.16
Incremental Deferred Tax Liability on account of Tangible and Intangible Assets	(5.82)	(0.95)
Incremental Deferred Tax Liability on account of Financial Assets and Other Items	2.79	0.95
Deferred Tax Provision (B)	(3.02)	0.00
Tax Expenses recognised in Statement of Profit and Loss (A+B)	(2.78)	0.17
Effective Tax Rate	-	19.64%

Notes on financial statements for the year ended 31st March, 2018

9. Other Current Assets (unsecured and considered good)	(Amount in ₹ crores)	
	As at 31st March, 2018	As at 31st March, 2017
Balance with service tax/ sales tax authorities, etc.	9.02	3.61
Others*	3.07	3.17
Total	12.10	6.77

* Includes Prepaid expenses & Claims receivables

10. Share capital	(Amount in ₹ crores)	
	As at 31st March, 2018	As at 31st March, 2017
Authorised:		
15,000,000 Equity shares of ₹ 10 each (15,000,000)	15.00	15.00
Total	15.00	15.00
Issued, subscribed and paid-up:		
Fully paid-up		
15,000,000 Equity shares of ₹ 10 each (15,000,000) (Fully Paid -up)	15.00	15.00
Total	15.00	15.00

* Figures in bracket represent previous year's figures

(i) **The details of shareholders holding more than 5% shares:**

Name of Shareholder	As at 31st March, 2018		As at 31st March, 2017	
	No of Shares	(% held)	No of Shares	(% held)
Reliance Strategic Investments Limited	37 50 000	25%	37 50 000	25%
Reliance Commercial Trading Private Limited	-	-	75 00 000	50%
Reliance Petroinvestments Limited	-	-	37 49 990	25%
Reliance Corporate IT Park Limited	75 00 000	50%	-	-
Reliance Industrial Investments and Holdings Limited	37 49 990	25%	-	-

(ii) **Reconciliation of opening and closing number of shares**

Particulars	As at 31st March, 2018	As at 31st March, 2017
	No. of shares	No. of shares
Equity shares outstanding at the beginning of the year	15,000,000	15,000,000
Add: Equity shares issued during the year	-	-
Equity shares outstanding at the end of the year	15,000,000	15,000,000

(iii) No bonus shares have been issued during the last five years.

(iv) The Company has one class of ordinary shares which carry equal voting rights on income and distribution of assets on liquidation or otherwise

Notes on financial statements for the year ended 31st March, 2018

11. Other Equity	(Amount in ₹ crores)	
	As at 31st March, 2018	As at 31st March, 2017
Zero coupon convertible loans*	200.00	200.00
Retained Earnings		
Profit and Loss Account		
As per last Balance Sheet	7.82	7.35
Less: Adjustment related to Ind AS/reversal of last year	0.05	(0.05)
Add: Adjustment related to Fixed Assets	0.01	(0.01)
Add: Profit for the year	3.72	0.52
	<u>11.60</u>	<u>7.82</u>
Other Comprehensive Income (OCI)		
As per last Balance Sheet	(0.31)	-
Add: Movement in OCI (Net) during the year	0.25	(0.31)
	<u>(0.07)</u>	<u>(0.31)</u>
Total	<u><u>211.53</u></u>	<u><u>207.51</u></u>

*The Loan shall, at the option of the Company, be fully convertible into Equity Shares of Rs. 10/- each at par. The Lender shall have an option to convert the outstanding amount of loan into Equity Shares of Rs. 10/- each at par after 3 months from the date of first disbursement. The Equity Shares arising out of conversion of the Loan shall rank pari passu in all respects with the then outstanding equity shares of the Company. The outstanding amount of Loan, if not opted for conversion shall be repayable, within 10 years from the date of first disbursement or such other period as may be mutually agreed between the Company and the Lender.

12. Non current Liabilities	(Amount in ₹ crores)	
	As at 31st March, 2018	As at 31st March, 2017
Unsecured		
Deposits received from Customer	240.00	175.00
Total	<u><u>240.00</u></u>	<u><u>175.00</u></u>

13. Non current provisions	(Amount in ₹ crores)	
	As at 31st March, 2018	As at 31st March, 2017
Provision for employee benefits	1.61	1.58
Total	<u><u>1.61</u></u>	<u><u>1.58</u></u>

* Refer Note 20.1

Notes on financial statements for the year ended 31st March, 2018

(Amount in ₹ crores)

14. Deferred tax Liability (net)

Deferred tax is calculated, in full, on all temporary timing differences under the liability method using a principal tax rate prevalent in Company operates. The movement on the deferred tax account is as follows:

	As at 31st March, 2018	As at 31st March, 2017
At the start of the year	6.05	6.05
Charge/(credit) to profit or loss	(2.86)	0.00
At the end of year	<u>3.20</u>	<u>6.05</u>

Deferred tax liabilities and assets at the end of the reporting period and deferred tax (credit) / charge in profit or loss and other comprehensive income

	As at 31st March, 2017	Charge/(credit) to profit or loss	As at 31st March, 2018
Deferred tax liabilities / (asset) in relation to:			
Property, plant and equipment	29.37	5.82	23.55
Employee Benefits	(1.08)	(1.05)	(0.04)
Unabsorbed Business Losses	(22.23)	(1.91)	(20.32)
Total	<u>6.05</u>	<u>2.86</u>	<u>3.20</u>

(Amount in ₹ crores)

15. Trade payables

	As at 31st March, 2018	As at 31st March, 2017
Trade payables		
Micro and Small Enterprises ⁽ⁱ⁾	-	-
Others	36.71	39.25
Total	<u>36.71</u>	<u>39.25</u>

(i) The details outstanding to Micro and Small Enterprise based on available Information with the company is as under:

	As at 31st March, 2018	As at 31st March, 2017
Principal amt due & remaining unpaid	-	-
Int.due on above & the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due & payable for the period of delay	-	-
Interest accrued & remaining unpaid	-	-
Amount of further interest remaining due & payable in succeeding year	-	-

(Amount in ₹ crores)

16. Other Current Liabilities

	As at 31st March, 2018	As at 31st March, 2017
Others ⁽ⁱⁱ⁾	8.49	1.43
Total	<u>8.49</u>	<u>1.43</u>

(ii) Includes advances/ deposits received and statutory liabilities.

Notes on financial statements for the year ended 31st March, 2018

17. Provisions	(Amount in ₹ crores)	
	As at 31st March, 2018	As at 31st March, 2017
Provision for Employee Benefits*	0.58	1.56
Total	0.58	1.56

* Refer Note 20.1

18. Revenue from operations	(Amount in ₹ crores)	
	2017-18	2016-17
Income from Services	575.37	472.39
Less: Service Tax recovered	(14.94)	61.37
Less: CGST Paid	(24.69)	-
Less:SGST paid	(24.69)	-
Total	511.05	411.02

18.1 Broad Category of services

Services rendered	2017-18	2016-17
Income from Air Transportation of Passengers	511.05	411.02

19. Other income	(Amount in ₹ crores)	
	2017-18	2016-17
Net gain on sale of Current investments	1.23	2.10
Profit on sale of assets	0.04	0.09
Other Non-Operating Income	5.65	0.14
Interest on Income Tax Refund	1.15	-
Total	8.07	2.33

20. Employee benefits expense	(Amount in ₹ crores)	
	2017-18	2016-17
Salaries and wages	39.11	38.49
Contribution to provident and other funds	1.55	2.86
Staff welfare expenses	0.75	0.71
Total	41.41	42.06

20.1 As per Indian Accounting Standard 19 "Employee Benefits", the disclosures as defined are given below :

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under :

Particulars	(Amount in ₹ crores)	
	2017-18	2016-17
Employer's Contribution to Provident Fund	1.52	1.42
Employer's Contribution to Superannuation Fund	0.09	0.09
Employer's Contribution to Pension Fund	0.15	0.13

Notes on financial statements for the year ended 31st March, 2018

I. Reconciliation of opening and closing balances of Defined Benefit Obligation

Particulars	(Amount in ₹ crores)	
	2017-18	2016-17
	Gratuity (Funded) As at 31st March	
Defined Benefit Obligations at the beginning of the year	3.37	2.59
Current Service Cost	0.44	0.31
Add: on Acquisition/Transfer	-	-
Interest Cost	0.25	0.21
Actuarial (Gain / Loss)	(0.46)	0.49
Benefits Paid	(0.61)	(0.24)
Defined Benefit Obligations at the end of the year	2.98	3.37

II. Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets

Particulars	(Amount in ₹ crores)	
	2017-18	2016-17
	Gratuity Funded	
Fair value of Plan Assets at beginning of year	2.58	2.59
Expected Return on Plan Assets (Interest income)	0.19	0.21
Assets Transferred In/Acquisition	-	-
Actuarial Gain / (Loss)	-	-
Employer Contribution	0.79	-
Benefits Paid	(0.61)	(0.24)
Actual return on Plan Assets	0.08	0.01
Fair value of Plan Assets at year end	3.03	2.58

III. Reconciliation of the Fair Value of Assets and Obligations

Particulars	(Amount in ₹ crores)			
	2017-18	2016-17	2017-18	2016-17
	Gratuity (Funded) As at 31st March		Gratuity (Unfunded) As at 31st March	
Fair Value of Plan Assets	3.03	2.58	-	-
Present Value Obligation	(2.98)	(3.37)	-	2.07
Amount Recognised in Balance sheet (Surplus/Deficit)	0.05	(0.79)	-	2.07

IV. Expenses recognized during the year

Particulars	(Amount in ₹ crores)			
	2017-18	2016-17	2017-18	2016-17
	Gratuity (Funded) As at 31st March		Gratuity (Unfunded) As at 31st March	
In Income Statement				
Current Service Cost	0.44	0.31	-	0.09
Interest Cost	0.06	-	-	0.13
Expected Return on Plan Assets	-	-	-	-
Actuarial (Gain / Loss)	-	-	-	0.34
Net Cost	0.50	0.31	-	0.56
In Other Comprehensive Income				
Actuarial (Gain / Loss)	(0.46)	0.49	-	-
Return on Plan Assets	(0.08)	(0.01)	-	-
Net (Income)/ Expense For the period Recognised in OCI	(0.55)	0.48	-	-

Notes on financial statements for the year ended 31st March, 2018

(Amount in ₹ crores)

V. Investment Details

	As at 31st March, 2018		As at 31st March, 2017	
	Rs in crore	% Invested	Rs in crore	% Invested
Insurance Policies	3.03	100.00%	2.58	100.00%
Others (including bank balances)				

VI. Actuarial Assumptions

Mortality Table (IALM)	Gratuity (Funded)		Gratuity (Unfunded)	
	2017-18	2016-17	2017-18	2016-17
Discount Rate (Per Annum)	8.00%	7.46%	8.00%	8.00%
Expected Rate of Return on Plan Assets (Per Annum)	8.00%	7.46%		
Rate of Escalation in Salary (Per Annum)	6.00%	6.00%	6.00%	6.00%

The estimates of rate of escalation in salary considered in actuarial Valuation, take into account inflation, seniority promotion and other relevant factors including supply and demand in the employment market the above information is certified by the actuary.

VII. The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2017-18.

VIII. Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary, increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below :

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Decrease	Increase	Decrease	Increase
Change in rate of discounting (delta effect of +/- 0.5%)	3.80%	-3.50%	3.30%	-3.00%
Change in rate of salary increase (delta effect of +/- 0.5%)	-3.60%	3.90%	-3.10%	3.30%
Change in rate of employee turnover (delta effect of +/- 0.5%)	-0.40%	0.40%	-0.40%	0.40%

Notes on financial statements for the year ended 31st March, 2018

		(Amount in ₹ crores)	
		2017-18	2016-17
21. Finance Costs			
Interest Expenses		0.14	0.01
Total		0.14	0.01
		(Amount in ₹ crores)	
22. Other expenses		2017-18	2016-17
Operational Expenses			
Lease Rent	117.55	129.68	
Fuel Expenses	50.53	27.64	
Airport charges	43.70	26.81	
Maintenance and spares Charges	82.31	67.92	
Subscription for Aircraft	2.47	2.89	
Loss on sale of Discarded Assets	12.08	-	
		308.65	254.95
Establishment expenses			
Professional fees	3.73	1.83	
General expenses	0.01	0.06	
Rent Rates & Taxes	0.37	0.38	
Insurance	6.96	7.95	
Other Repairs	3.08	1.46	
Travelling Expenses	14.18	12.02	
Payments to Auditors (Refer Note 18.1)	0.04	0.06	
Catering/Canteen Expenses	8.62	9.04	
Administration Expenses	16.42	32.71	
Seminar & Training Expenses	9.37	9.23	
Exchange Gain(Realised and Unrealised) net	22.68	0.05	74.79
Total		394.11	329.74
22.1 Payments to Auditors (excluding service tax)			(Amount in ₹ crores)
		2017-18	2016-17
Audit fees	0.03	0.03	
Tax Audit Fees	0.01	0.01	
Total		0.04	0.04

23 The Company is mainly engaged in 'Air Transportation of Passengers' in and outside India. All the activities of the Company revolve around this main business. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108: Operating segments. The Board (the 'Chief Operating Decision Maker' as defined in Ind AS 108 'Operating Segments'), who is responsible for allocating resources and assessing performance obtains financial information.

Revenue from one Customer contributed a substantial percentage of the Company's revenue for 2017-18.

Notes on financial statements for the year ended 31st March, 2018

24 Earnings per share (EPS)	(Amount in ₹)	
	2017-18	2016-17
Face Value for Share	10	10
Net profit/ (loss) after tax as per Profit and Loss Statement (₹)	3 72 07 467	52 06 789
Weighted average number of equity shares used as denominator for calculating Basic EPS	1 50 00 000	1 50 00 000
Basic earnings / (loss) per share of face value of ₹ 10 each (In ₹)	2.48	0.35
Average number of equity shares used as denominator for calculating Diluted EPS	21 50 00 000	21 50 00 000
Diluted earnings / (loss) per share of face value of ₹ 10 each (In ₹)	0.17	0.02

25 Operating Lease

The Company has taken aircrafts on non-cancellable Operating Lease. The future minimum lease payments in respect of non-cancellable period as at 31st March 2018 are as follows:

As at 31st March	(Amount in ₹ crores)	
	2018	2017
Within one year	116.52	170.63
Later than one year and not later than five years	1,087.03	1,041.66
Later than five years	-	-
Total	1,203.55	1,212.29

26 Foreign currency Exposure not hedged by Derivative instruments from trade payables amounts to Rs.NIL (P.Y. Rs .NIL and from Capital advances amounts to Rs.42.36 cr (P. Y. Rs 100.51 cr).

27 The Income Tax Assessments of the Company have been completed upto Assessment Year 14-15. The additional demand raised on the Company amounts to ` NIL.

28. Details of Contingent Liabilities & Commitments

Sr. Particulars No.	(Amount in ₹ crores)	
	As at 31st Mar 2018	As at 31st Mar 2017
(I) CONTINGENT LIABILITIES		
(A) Claims against the company / disputed liabilities not acknowledged as debts		
(a) In respect of others	398.21	477.71
* this includes Bank Guarantees issued against the disputed liabilities not acknowledged as debts of Rs 120,19,18,541 (PY Rs. 100,00,00,000)		
(B) Guarantee		
(i) Guarantees to Banks and Financial Institutions against credit facilities extended to third parties		
(a) In respect of others	23.56	14.01
(II) COMMITMENTS		
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
(a) In respect of others	NIL	32.43

Notes on financial statements for the year ended 31st March, 2018

29. FINANCIAL INSTRUMENTS

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of investment in quoted Mutual Funds is measured at quoted price or NAV.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair Valuation Measurement Hierarchy :

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		Level 1	Level 2		Level 1	Level 2
Financial Assets						
At Amortised Cost						
Investments*	-	-				
Trade Receivables	195.19	-	-	77.80	-	-
Cash and Bank Balances	0.91	-	-	1.13	-	-
Loans	9.88	-	-	44.00	-	-
Other Financial Assets	12.10	-	-	6.77	-	-
At FVTPL						
Investments	7.38	7.38	-	0.17	0.17	-
At FVTOCI						
Investments	-			-		
Financial Liabilities						
At Amortised Cost						
Borrowings	240.00	-	-	175.00	-	-
Trade Payables	36.71	-	-	39.25	-	-
Other Financial Liabilities	-			-	-	-

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Notes on financial statements for the year ended 31st March, 2018

Foreign Currency Risk

The following table shows foreign currency exposures in USD, EUR and JPY on financial instruments at the end of the reporting period. The exposure to foreign currency for all other currencies are not material.

Amt in Rs.(crores)

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	USD	EUR	JPY	USD	EUR	JPY
Loans	-	-	-	-	-	-
Trade and Other Payables	-	-	-	-	-	-
Trade and Other Receivables	-	-	-	-	-	-
Derivatives						
- Forwards & Futures	-	-	-	-	-	-
- Currency Swap	-	-	-	-	-	-
- Options	-	-	-	-	-	-
Net Exposure	-	-	-	-	-	-

The net exposures have natural hedges in the form of future foreign currency earnings and earnings linked to foreign currency for which the company may follow hedge accounting.

Sensitivity analysis of 1% change in exchange rate at the end of reporting period.

Foreign Currency Sensitivity

1 % Depreciation in INR	As at 31st March, 2018			As at 31st March, 2017		
	USD	EUR	JPY	USD	EUR	JPY
Loans	-	-	-	-	-	-
Impact on P&L	-	-	-	-	-	-
Total	-	-	-	-	-	-

1 % Appreciation in INR	As at 31st March, 2018			As at 31st March, 2017		
	USD	EUR	JPY	USD	EUR	JPY
Impact on P&L	-	-	-	-	-	-
Total	-	-	-	-	-	-

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises from company's activities in investments, dealing in derivatives and outstanding receivables from customers.

The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Sales made to customers on credit are generally secured through Letters of Credit, Bank Guarantees, Parent Company Guarantees, advance payments and factoring & forfaiting without recourse to Group.

Notes on financial statements for the year ended 31st March, 2018

30 As per IND-AS-24 'Related Party Disclosures', the disclosures of transactions with the related parties as defined in the Accounting Standard are given below :

(i) List of related parties with whom transactions have taken place and relationships:

Sr No	Name of the related party	Relationship
1	Reliance Industries Limited	Ultimate Holding Company
2	Reliance Industrial Investments and Holdings Limited	Holding Company
3	Reliance Corporate IT Park Limited	Fellow Subsidiary Company
4	Reliance Strategic Investments Limited	Fellow Subsidiary Company
5	Reliance JIO Infocomm Limited	Fellow Subsidiary Company
6	Reliance Ventures Limited	Fellow Subsidiary Company
7	Shri Sudhir Nayak (Manager)	Key managerial Personnel
8	Shri Rajendra Sawant (Company Secretary)	Key managerial Personnel
9	Ms Dipti Baxi (Chief Financial Officer)	Key managerial Personnel

(ii) Transactions during the year with related parties (excluding reimbursements):

Sr No	Nature of transactions	(Amount in ₹ crores)			
		Fellow Subsidiary Company	Ultimate Holding Company - RIL	Key Management Personnel	Total
1	Revenue from Operations	-	510.93	-	510.93
		(0.49)	(410.53)	-	(411.02)
2	Purchases	-	14.01	-	14.01
		-	(12.37)	-	(12.37)
3	Deposits taken(net)	-	65.00	-	65.00
		-	-	-	-
4	Supply of Manpower	-	0.51	-	0.51
		-	-	-	-
5	Bank Guarantee Commission	-	0.53	-	0.53
		-	-	-	-
6	Business Support services	-	0.01	-	0.01
		-	-	-	-
7	Remuneration to Key Managerial Personnel	-	-	1.52	1.52
		-	-	(1.23)	(1.23)
8	Unsecured Loan Taken /Repaid	-	-	-	-
		-	(50.00)	-	(50.00)
Balance as at 31st March, 2018					
6	Share capital	15.00	-	-	15.00
		(15.00)	-	-	(15.00)
7	Unsecured Loans RVL	200.00	-	-	200.00
		(200.00)	-	-	(200.00)
8	Long term Liabilities	-	240.00	-	240.00
		-	(175.00)	-	(175.00)
9	Trade Receivables	-	194.89	-	194.89
		-	(67.57)	-	(67.57)

Notes on financial statements for the year ended 31st March, 2018

31 Disclosure in respect of major related party transactions:

- 1 Revenue from Operations includes Reliance Industries Limited ₹ 510.93 cr (previous year ₹ 410.53 cr)
- 2 Purchases includes purchase of ATF from Reliance Industries Limited ₹14.01cr (previous year ₹ 12.36 cr)
- 3 Net Deposit taken includes Reliance Industries Limited ₹ 65.00cr(previous year ₹ NIL)
- 4 Trade Receivables includes Reliance Industries Limited ₹194.89cr (previous year ₹67.56cr)
- 5 Remuneration to Key Managerial Personnel includes the following:

Particulars	Relationship	(Amount in ₹ crores)	
		2017-18	2016-17
Shri Sudhir Nayak (Manager)	} Key Managerial Personnel	0.91	0.86
Shri Rajendra Sawant (Company Secretary)		0.43	0.09
Shri ParagKhekade (Company Secretary)		-	0.14
Ms. Dipti Baxi (Chief Financial Officer)		0.18	0.15

31.1 Compensation of Key Managerial Personnel*

The remuneration of Key Managerial Personnel during the year was as follows:

	(Amount in ₹ crores)	
	2017-18	2016-17
i Short-term benefits	1.46	1.18
ii Post employment benefits	0.06	0.05
iii Other long term benefits	-	-
iv Share based payments	-	-
v Termination benefits	-	-
Total	1.52	1.23

* Includes Professional Fees reimbursed to Reliance Industries Limited.

32 Details of loan given, investment made and guarantee given and securities provided during the year covered u/s 186(4) of the Companies Act, 2013:

- (i) Loan given or investments made is Nil (Previous Year Nil).
- (ii) Guarantee given and securities provided by the Company in respect of Loan during the year is Nil (Previous Year Nil).

33 The previous year's figures have been reworked, regrouped and reclassified wherever necessary and are to be read in relation to the amounts and other disclosures relating to the current year.

34 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on April 18, 2018.

As per our Report of even date

For Rajendra & Co.
Chartered Accountants
(Firm Registration No. 108355W)

K.K. Desai
Partner
Membership No. -100805

Date: April 18, 2018

For and on behalf of the Board

Nikhil R. Meswani
Director

Sandeep Junnarkar
Director

Sudhir Nayak
Manager

Hital R. Meswani
Director

Vinit Phatak
Director

Dipti Baxi
Chief Financial Officer

P M S Prasad
Director

Geeta Fulwadaya
Director

Rajendra Sawant
Company Secretary