स्वच्छ भारत
एक कदम स्वच्छता की ओर

वार्षिक रिपोर्ट
ANNUAL REPORT
2019-20

पवन हंस लिमिटेड
PAWAN HANS LIMITED

हमारी उड़ान आपके लिए
We fly for you

ANNUAL REPORT
2019-20

PAWAN HANS LIMITED

स्वच्छ भारत
एक कदम स्वच्छता की ओर

OUR MISSION

To become a market leader in Helicopters and Sea Plane services, to provide regional connectivity through Small Fixed Wing Aircrafts operations and provide repair/overhaul services at par with international standards.

CONTENTS

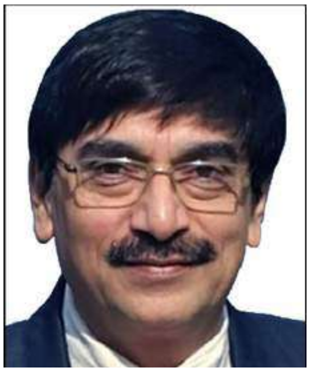
BOARD OF DIRECTORS

Sanjeev Razdan
Chairman & Managing Director

Smt. Usha-Padhee
Joint Secretary
Ministry of Civil Aviation

Vimalendra Anand Patwardhan
JT. Secretary & Financial Advisor
Ministry of Civil Aviation

Surendar Kumar Indoria, AVSM VM
ACAS Ops (T&H)
Air Headquarters



Sh. Rajesh Kakkar
Director (Off-shore)
Oil & Natural Gas
Corporation Ltd.

Air Marshal PP Khandekar AVSM (Retd.)
Independent Director

MANAGEMENT TEAM

Chairman & Managing Director	Shri Sanjeev Razdan
Chief Vigilance Officer	Ms Arti Bhatnagar, IDAS
ED (Tech/BD & MKT)	Air Cmde (Retd) T.A. Dayasagar
General Manger (F&A)	Sh Shanker Lal Goel
Company Secretary & Joint General Manger (Legal)	Sh Ranjit Singh Chauhan
General Manager (CPMS)	Sh Sanjay Kumar
HOD (Safety)	Sh Vijay M Pathiyan
General Manager (BD & MKT)	Sh Vanrajsinh Dodiya
General Manager (Engg)	Sh M.S Boora
HOD (IS)	Smt Jayashree Nair
Offg General Manager (Operations)	Capt B.V. Baduni
Joint General Manager (HR)	Sh A.C. Poricha
Joint General Manger (Admin)	Shri H.S. Kashyap
HOD (Material)	Sh Vijay M. Pathiyan
HOD (Internal Audit)	Sh Sourav Goel
Offg General Manager (Western Region)	Sh Sandeep Gauba
Offg General Manager (Northern Region)	Sh Sarbjit Singh

Registered Office:
C-14,Sector-1
Noida UP-201301

Corporate Office:
C-14, Sector-1
Noida UP-201301

Regional Office:
Western Region
Juhu Aerodrome
S.V. Road
Vile Parle (West)
Mumbai-400 056

Northern Region:
Rohini Heliport, Sector, 36
Rohini, New Delhi-110085

Auditors
M./s J.P. Kapur & Uberai
Chartered Accountants
New Delhi-110016

Branch Auditors
M/s GMJ & Co
(Regd) Chartered Accountants
Mumbai- 400 069

Bankers
Bank of Baroda
Punjab National Bank

Pawan Hans Limited
(A Government of India Enterprise)
Regd. Office: Pawan Hans Towers, C-14, Sector-1, Noida-201301.(U.P.)
CIN : U62200UP1985GOI129953

NOTICE

NOTICE is hereby given that the 35th Annual General Meeting (AGM) of the Members of the Company will be held on 30th December, 2020 at 2.30 PM at Conference Room, 8th Floor, Registered & Corporate Office, Pawan Hans Ltd., C-14, Sector-1, Noida-201301 through Video Conferencing/Other Audio Visual Means to transact the following business:-

ORDINARY BUSINESS

Item No.1

Consideration and adoption of Audited Financial Statements along with related documents by passing the following resolution as an Ordinary Resolution:-

> **"RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended on 31.03.2020 together with the Board's Report and the Auditors' Report thereon and Comments of the Comptroller and Auditor General of India be and are hereby received, considered and adopted."

Item No.2

Authorisation to the Board of Directors for fixing the remuneration of the Auditors by passing the following resolution as an Ordinary Resolution:-

> **"RESOLVED THAT** pursuant to applicable provisions under the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorized to determine and fix the remuneration payable to Auditors of the Company as appointed by the Comptroller and Auditors General of India for the financial year 2020-21."

The link for attending the 35th AGM is given as hereunder:-

https://meet.google.com/bfr-jija-qmt

BY ORDER OF THE BOARD

(R.S. Chauhan)
Company Secretary
FCS No.- 8785

PLACE: NOIDA.
Dated: 29th December, 2020

To,
1. All Members of the Company
2. Statutory Auditors
3. Secretarial Auditor

NOTES:

1) In view of the prevailing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide Circular No.20/2020 dated 05.05.2020 permitted the holding of the Annual General Meeting ("AGM") through Video Conference (VC)/ Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, AGM of the Company will be held through VC/OAVM, subject to other applicable provisions of the Companies Act, 2013 ("Act").

2) Since the AGM will be held through VC/OAVM, there is no requirement for appointment of proxies.

3) Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VIDEO CONFERENCE (VC) OR OTHER AUDIO VISUAL MEANS (OAVM)

1. For attending AGM through VC/OAVM, the link for VC/OAVM shall be shared with the members at their e-mail address available with the Company.

2. Facility of joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM.

3. Members are encouraged to join the Meeting through Laptops/iPads for better experience.

4. Members will be required to switch on the video facility and use Internet connection with a good speed to avoid any disturbance during the Meeting.

5. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuations in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to minimize/mitigate any kind of aforesaid glitches.

CHAIRMAN'S SPEECH TO THE MEMBERS

Dear Shareholders,

I take great pleasure in welcoming you all to the 35th Annual General Meeting of your Company. The Annual Report for the financial year 2019-20 has been circulated and with your permission I take it as read.

The revenue from operations earned by your Company during 2019-20 is Rs.34593.16 lakhs as compared to Rs.38115.58 lakhs in the previous year. In percentage terms revenue from operations decreased by 9.24% as compared to previous financial year and loss from operations increased from Rs.9275.56 Lakhs to Rs. 9838.16 Lakhs. The reasons for such loss are decrease in revenue from operations, salary revision of employees, imposition of liquidated damages, inability of the company to provide helicopters to ONGC etc. pursuant to a Notification of Award (NoA) issued in 2018 due to ban on capital investments etc. Reserves & Surplus of the Company stands at Rs.41305.86 lakhs (P.Y. Rs.44622.44 lakhs).

Due to losses incurred during the year 2019-20, Board of Directors has not recommended any dividend for the year under review. Prior to year 2018-19 Your Company was earning profits and paying dividend to the shareholders for last six years.

Average monthly deployment of helicopters during the year ended 31.03.2020 was 31 helicopters out of the fleet size of 43 helicopters. The total flying hours in 2019-20 got reduced to 19456 hours as against 21,108 hours during the previous year due to various reasons i.e. shortage of pilots, grounding of helicopters, etc.

Pawan Hans continues to be one of Asia's largest helicopter operators having a well-balanced own operational fleet of 43 helicopters at present with pan India presence. Out of these four Dauphin N Helicopters having vintage of over 33 years grounded since long due to obsolescence have been approved as 'Impaired Assets' by the Board. This step will help in removing one of the qualifications in the Auditors' Report for this year and for subsequent years.

During the last quarter of F.Y. 2019-20, the World was hit by COVID-19 Pandemic. Its increasing effect began to appear in India during the month of March, 2020. To combat this Pandemic, Government of India enforced total lock-down in the country w.e.f. 25.3.2020. During this period, the Company played important role by way of rescueing stranded passengers, undertaking medical evacuation flights and delivering cargo to the farthest and inaccessible corners of the country. Number of rescued passengers during this period was 230. 271 passengers were also air-lifted by the company's helicopters. The Company also carried cargo weighing to 2878 kgs. by covering a distance of 11,241 kms. The crew members of the company performed their duties extending to more than one month at a stretch.

This Pandemic adversely impacted the global as well as Indian economy. Your Company's performance also got adversely affected due to the Pandemic. Flying of the Company got reduced almost to half and till now it has not reached pre-Covid-19 level. Your Company has taken various austerity measures to reduce the adverse impact caused by the Pandemic e.g. rationalization of costs including salary & allowances of employees, shore up recovery of past dues, surrendering surplus lease land to AAI, centralisation of departments etc.

The Company's philosophy on Corporate Governance reflects the ethos of the Company and its continuous commitment to ethical business principles across its operations. Sustaining a culture of integrity along with high performance orientation and an adaptive management style in today's dynamic business environment needs a robust governance structure. Your Company is having a well defined corporate structure that establishes checks and balances and delegates decision making to appropriate levels in the organization, though the board remains in effective control of the affairs of the company. Your Company believes that good Corporate Governance practices are essential for generating long term value and maintaining a sustainable business model.

Your Company has laid down a well-defined the Code of Conduct for all the Board Members and Senior Management Personnel of the Company, which is also uploaded on the website of the Company. All Board Members and Senior Management Personnel have affirmed compliance to the Code of Conduct.

Government of India decided for strategic disinvestment of the entire 51% share holding of Government of India in Pawan Hans Limited along with transfer of management control. Subsequently, Oil and Natural Gas Corporation Limited ("ONGC"), vide its board resolution dated August 02, 2018, has communicated its intent to offload its entire shareholding of 49% in PHL. Fresh Expression of Interest (EOI) has been invited recently in this regard from interested bidders on 8.12.2020 with the last date of bid submission being 19.01.2021.

Due to on-going disinvestment process, your Company has sought exemption from signing of MoU through the administrative ministry for the year 2018-19 and 2019-20. Exemption for 2021-22 will also be sought in this regard.

The following significant Events/Developments have taken place during the year:-

i) Non Scheduled Operator Permit (NSOP) of your Company has been renewed for a further period upto 14.03.2024.

ii) Your Company and Airbus Helicopters signed a Memorandum of Understanding (MoU) to collaborate for the introduction of two new categories of rotorcraft in its fleet in future as well as for the repair, maintenance and overhaul of its existing AS365N Dauphin helicopters on 19th June 2019 during Paris Airshow at France. This also provides for customized training and on-site Safety Management System (SMS) for PHL pilots.

iii) PHL Started operations under RCS UDAN Scheme on the following routes:

   1) Shimla-Kullu-Shimla (Thrice a week) w.e.f. 13.05.2019.

   2) Shimla-Dharamshala-Shimla (Thrice a week) w.e.f. 14.05.2019.

   3) Commencement of Services under the RCS UDAN II in Uttarakhand on route "Dehradun New Tehri – Srinagar –Gauchar –Srinagar - New Tehri-Dehradun". The Services were inaugurated on 29th July 2020 by Hon'ble Chief Minister of Uttarakhand.

iv) Recently your Company has signed a Master Lease Agreement and one Aircraft Specific Lease Agreement (ASLA) with M/s Vertical Aviation No.1 Limited (an

Ireland based leasing company) and one helicopter is expected to be delivered to the Company in the month of January, 2021.

I take this opportunity to thank you all for the confidence reposed in the management. I am also grateful for the support and guidance of the Government of India, Ministry of Civil Aviation, DGCA and other various agencies in efficient management of the Company. I deeply appreciate the confidence reposed by ONGC Ltd., Oil India Ltd., NTPC Ltd., Ministry of Home Affairs, the State Governments of Meghalaya, Mizoram, Himachal Pradesh, Sikkim, Maharashtra, Tripura, Assam, Odisha, UT of J&K, UT of Ladakh, Andaman & Nicobar Islands and Lakshadweep Islands in the Company and also dedicated services rendered by its employees.

(Sanjeev Razdan)
Chairman & Managing Director

Dated : 30th December, 2020

BOARD'S REPORT

Dear Shareholders,

Your Board has pleasure in presenting its 35th Report together with the audited Financial Statements for the year ended on 31st March, 2020, Auditors' Report and comments on the Financial Statements by the Comptroller & Auditor General of India and the replies of the Management thereto.

I. Operations

a) Operational results

The revenue from operations earned by your Company during 2019-20 is Rs.34593.16 lakhs as compared to Rs 38115.58 lakhs in the previous year. Average monthly deployment of helicopters during the year ended 31.03.2020 was 31 helicopters out of the fleet size of 43 helicopters. The total flying hours in 2019-20 got reduced to 19456 hours as against 21108 hours during the previous year due to various reasons i.e. shortage of pilots, grounding of helicopters, etc.

b) Fleet Profile

Your Company continues to be one of Asia's largest helicopter operators having a well-balanced own operational fleet of 43 helicopters at present with pan India presence. Pawan Hans has achieved flying of more than 5.5 lakhs hours and over 25 lakhs landings on its fleet since its formation. Pawan Hans has been awarded by M/s. Turbomeca for achieving World best flying milestone of 1 Million hours on aerial 2C engines.

The Company's operational fleet presently comprises of the following:-

Helicopter type	No. of helicopters	Average Age (years)
Dauphin SA365N*	17	33
Dauphin AS365 N3	14	11
Bell-407	3	17
Bell 206L4	2	25
AS 350 B3	2	9
MI-172	3	13
Dhruv (LEASED)	2	14
Total	**43**	

- Four Dauphin SA365N Helicopters having vintage of over 33 years which have been grounded since long due to obsolescence and have been approved as 'impaired Assets' by the Board. This step will help in removing one of the qualification in the Auditors' Report for this year and for subsequent years.

c) Fleet deployment

Your Company has been providing helicopter support for offshore operations of ONGC for carrying its men and vital supplies round the clock to drilling rigs situated in Bombay off-shore platforms. Pawan Hans operates to ONGC's Rigs (mother platforms and drilling rigs) and production platforms (wells) within a radius of 130 nm. from the main land at Mumbai. The Crew Change Task contract for providing 3 Nos. Dauphin N3 helicopters with vintage of 7 years was again awarded by ONGC to Pawan Hans being L1 under International competitive bidding in March, 2015. As on 31.03.2020, the Company had on contract 7 Dauphin N3 helicopters with ONGC for their off-shore task out of which 2 Dauphins are stationed overnight at the main platforms in addition to a dedicated Night Ambulance

Pawan Hans Transported samples of suspected covid people & medicines from Jammu to Srinagar

to meet any emergency evacuation. Your Company was also providing 1 Dauphin N3 helicopter to GSPC till 15.06.2019.

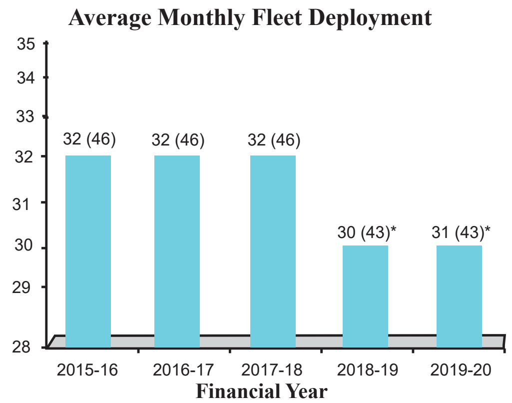
Presently the Company is providing 1 Dauphin helicopter each to State Governments in the North East namely, Mizoram, Tripura, Sikkim and 1 Dauphin N3 helicopter to State Government of Meghalaya. The Company is providing 1 Bell 206L4/407 helicopter to Sikkim. The Company is providing 5 Dauphin N/N3 helicopters to Administration of Andaman & Nicobar Islands and 03 Dauphin N/N3 helicopters to Lakshadweep Administration. The Company is also providing 1 Dauphin N helicopter to State Government of Kerala.

The Company has provided 2 Bell 206 L4 and 1 Bell 407 helicopter to Government of J&K. The Company is also providing 1 AS350 B3 and 1 MI-172 helicopter to Union Territory of Ladakh. One MI-172 helicopter is deployed with Government of Himachal Pradesh. The Company has provided to State Government of Maharashtra 1 Dhruv helicopter taken on lease from HAL. The Company is providing 1 Dauphin N/N3 helicopter to Union Territory of Daman & Diu. The Company has kept 1 Dauphin N helicopter at Guwahati for charter business.

2 Dauphin N helicopter are deployed in RCS-Chandigarh and RCS-Uttarakhand.

Pawan Hans runs the helicopter services from Phata to the Holy Shrine of Kedarnath during the yatra seasons i.e. May-June and September-October every year.

The average monthly deployment of helicopters was as under:-



* including one Dhruv helicopter taken on lease from HAL.

d) Operations during COVID-19 Pandemic

During the last quarter of F.Y. 2019-20, the World was hit by COVID-19 Pandemic. Its increasing effect began to appear in India during the month of March, 2020. To combat this Pandemic, Government of India enforced total lock-down in the country w.e.f. 25.3.2020. During this period, the Company played important role by way of rescueing stranded passengers, undertaking medical evacuation flights and delivering cargo to the farthest and inaccessible corners of the country. Number of rescued passengers during this period was 230. 271 passengers were also air-lifted by the company's helicopters. The Company also carried cargo weighing to 2878 kgs. by covering a distance of 11,241 kms. The crew members of the company performed their duties extending to more than one month at a stretch.

e) Fleet Augmentation

Efforts of your Company to augment fleet by procurement of 4 light helicopters and 2 heavy duty helicopters with 20% funding from internal resources and 80% through term loan from bankers, could not materialise due to ban on capital investment decisions by the administrative Ministry in view of the ongoing strategic disinvestment process. Further efforts to augment the fleet through leasing route were also made but the same could not succeed due to want of clearance from MoCA & DIPAM.

Recently your Company has signed a Master Lease Agreement and one Aircraft Specific Lease Agreement (ASLA) with M/s Vertical Aviation No.1 Limited (an Ireland based leasing company) and one helicopter is expected to be delivered to the Company in the month of January, 2021. Three more ASLAs are expected to be signed with M/s Vertical Aviation No.1 Limited very soon.

f) Strategic Disinvestment of Pawan Hans

Government of India decided for strategic disinvestment of the entire 51% share holding of Government of India in Pawan Hans Limited along with transfer of management control. M/s SBI Capital Markets Ltd. and M/s.Crawford Bayley & Co. were appointed as Transaction Advisor and legal Advisor respectively by DIPAM, Ministry of Finance for the said strategic disinvestment. M/s.RBSA Advisor was appointed by Ministry of Civil Aviation for valuation of PHL assets. The work pertaining to valuation of assets by M/s.RBSA is complete.

Subsequently, Oil and Natural Gas Corporation Limited ("ONGC"), vide its board resolution dated August 02, 2018, also decided to offload its entire shareholding of 49% in PHL.

The disinvestment process could not be completed due to poor response from bidders. However, fresh Expression of Interest (EOI) has been invited from interested bidders on 8.12.2020 with the last date of bid submission being 19.01.2021.

g) **<u>Shifting of Registered Office:</u>**

The Regional Director, Ministry of Corporate Affairs vide its Order dated 17.02.2020 has confirmed the alteration of Memorandum of Association of the Company regarding situation clause thereby approving shifting of Registered Office of the Company from NCT of Dehi to State of Uttar Pradesh.

The Order dated 17.02.2020 of the Regional Director has been registered by the Registrar of Companies Vide Certificate dated 26.06.2020. Therefore, the Registered Office of the Company is at C-14, Sector-1, Noida (U.P.) -201301 w.e.f. 26.06.2020.

h) **<u>Rohini Heliport in Delhi</u>**

The Rohini Heliport consists of a terminal building having capacity of up to 150 passengers (at any point of time), 4 hangars with parking capacities of 16 helicopters and 9 parking bays. It has been developed to provide one-point solution for helicopter business including regular helicopter operations, landing & parking facility for other operators, MRO services and training services.

In view of the land for Rohini Heliport allotted by DDA directly in the name of Ministry of Civil Aviation on long term lease, the heliport at Rohini shall not form part of the proposed Transaction of strategic sale/disinvestment. Therefore, the Ministry of Civil Aviation has decided that the Rohini Heliport assets shall be hived off from PHL's books before the completion of strategic divestment process to a special purpose vehicle. For this purpose a separate mirror company of MoCA and ONGC has been incorporated in the name of Rohini Heliport Ltd. and scheme of demerger has been filed before the Secretary, Ministry of Corporate Affairs.

II. Vision and Mission

Vision:

Enable the people to have access to safe, secure, sustainable, affordable world class niche aviation services.

Mission:

To become market leader in helicopters and sea plane services, to provide regional air connectivity through Small Fixed Wing Aircraft operations and provide repair and overhaul services at par with International standards.

III. Finance and Accounts

Your Company has prepared Financial Statements comprising of the Balance Sheet as on 31.03.2020, the Statement of Profit & Loss, Cash Flows Statement, Statement of changes in Equity for the year ended on 31.03.2020 and additional Notes to Financial Statements including a summary of significant accounting policies and other explanatory information in conformity with Ind AS for the financial year 2019-20.

a) Financial Results

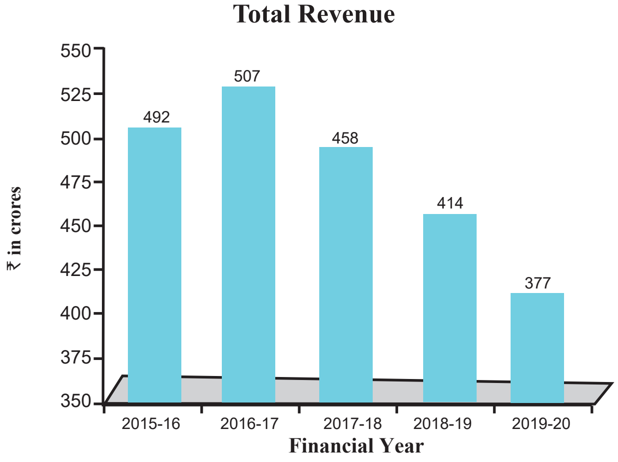
Financial performance of your Company during the years 2018-19 and 2019-20 is given below :-

(Rupees in Lakhs)

	Particulars	2018-19 Amount	2019-20 Amount
A)	Revenue from Operations	38115.58	34593.16
B)	Other Income	3284.00	3088.80
C)	Total Revenue including other income	41399.58	37681.96
D)	Expenditure		
	i) Operating & non-Operating expenses including Prior Period adjustments	43091.24	38778.36
	ii) Depreciation and amortization expenses	7583.57	8741.76
	Total	**50675.14**	**47520.12**
E)	Profit /(Loss) before Exceptional items	(9275.56)	(9838.16)
F)	Exceptional Items	-	
G)	Profit/(Loss) after Adjustments	(9275.56)	(9838.16)
H)	Provision for Income Tax for earlier years/ Deferred tax	(2916.57)	(7530.05)
I)	Net Profit/(Loss) after tax	(6358.99)	(2308.11)

In percentage terms revenue from operations decreased by 9.24% as compared to previous financial year and loss from operations increased from Rs.9275.56 Lakhs to Rs.9838.16 Lakhs. The reasons for such loss are decrease in revenue from operations, salary revision of employees, imposition of liquidated damages, inability of the company to provide helicopters to ONGC etc. pursuant to a Notification of Award (NoA) issued in 2018 due to ban on capital investments etc. Reserves & Surplus of the Company stands at Rs.41305.86 lakhs (P.Y. Rs.44622.44 lakhs).

Total Revenue



b) Dividend

Due to losses incurred during the year 2019-20, your Directors express their inability to recommend any dividend for the year under review.

c) MOU with Ministry of Civil Aviation

Your Company signs MoU with the Ministry of Civil Aviation every year after negotiation meetings in Department of Public Enterprises. For the year 2016-17 as per Performance Evaluation Report submitted by your Company, the MoU rating was " Very Good" and for 2017-18, your Company has been rated as "Good". Your Company has sought exemption for the year 2018-19 and 2019-20 from signing MoU from Department of Public Enterprises (DPE) through Ministry of Civil Aivation (MoCA) due to ongoing disinvestment.

d) **Equity Capital**

The total paid up Equity Share Capital of the Company is Rs.557,48,20,000/- comprising of 5,57,482 Equity Shares of Rs.10,000/- each.

e) **Significant Events/Developments taken place after close of financial year 2019-20**

Your Company has signed a Master Lease Agreement and one Aircraft Specific Lease Agreement (ASLA) with M/s Vertical Aviation No.1 Limited, an Ireland based leasing company.

ONGC Ltd. has placed Notification of Award (NOA) of Contract vide letter dated 13.08.2020 for charter hiring of 03 nos. of crew change task helicopters under Group-I on nomination basis for six months beyond 20.08.2020.

IV. Engineering / Maintenance Activities

1. The Company has established DGCA approved maintenance facilities in Mumbai, New Delhi, Guwahati (Assam) and Portblair (A&N Island) for maintenance of its fleet of helicopters. Maintenance checks on helicopters are carried out and workshops with in-house facilities provide the back up. Your Company has maintenance capability to carry out upto (5400 hrs/10 years Insp) 'G' Inspections on Dauphin helicopters totally in-house without any foreign assistance which leads to saving of foreign exchange on account of lower cost of repairs/inspections.

2. Further, Guwahati (Assam) Base of your Company is also approved for the following maintenance activities :

- Maintenance of Dauphin SA 365N helicopters upto 3000 hrs/06 years Insp.
- Maintenance of Dauphin AS 365 N3 helicopters upto 3000 hrs/06 years.
- Maintenance of Ecureuil AS 350 B3 helicopter upto 1200 hrs/48 months.
- Maintenance of Bell 206 L4 helicopter upto 100 hrs/90 days.
- Maintenance of Bell 407 helicopter upto 100 hrs/90 days.

3. PHL Portblair (A&N Islands) base is also approved for the following maintenance activities :

- Maintenance of Dauphin SA 365N helicopters upto 3000 hrs/06 years Insp.
- Maintenance of Dauphin AS 365 N3 helicopters upto 1200 hrs/48 months.

A total of 19 inspections consisting of T/2T/5T/G (600 hrs/1200 hrs/3000 hrs/5400 hrs) inspection on Dauphin fleet of helicopters were carried out by the Company from its resources during the year.

In addition, Rohini Heliport (Delhi) is approved by DGCA for

- Maintenance of Bell 206-L4 helicopter upto 1500 hrs. inspection
- Maintenance of Bell 407 helicopter upto 1200 hrs./24 months inspection
- Maintenance of Ecureuil AS 350 B3 helicopter upto 1200 hrs./48 months inspection, excluding major modifications/ repair
- Maintenance of Dauphin SA 365 N helicopter upto 100 hrs./06 months inspection
- Maintenance of Dauphin SA 365 N3

helicopter upto 1200 hrs./04 years inspection

- Maintenance of Mi-172 helicopter upto and including 500 hrs. and 1000 hrs. inspection.

Your Directors have approved setting up of MRO as separate vertical to enhance maintenance system in Company and take outside business.

V. Materials Management

Systematic Improvement in Materials management for better control relating to non-moving inventories was implemented. Further by fixing of inventory levels all procurements have been made based on joint review by Engineering and Material Departments and spares are ordered on forecasted projections. The Material Management functions are online through integrated computerization. Processing of demand and supply has become efficient. Data has become transparent and available to users across the network in all regions and bases. Inventory management through timely alerts has enhanced the efficacy of supply chain management. E-procurement system is being utilized efficiently.

VI. Information System & Technology initiatives

Good governance is not possible without the incorporation of technology solutions for communication. In Pawan Hans, IT has been adopted as a catalyst to mitigate its business needs.

Pawan Hans has developed the IT infrastructure and Integrated Information System (IISp) business application which Flight Data Scheduling System, Component Health Monitoring System, Material Management System, Finance & Accounting System, HR Management System and Business Dashboard.

Other hosted solutions implemented by Pawan Hans are e-Office, e-Tendering, e-RTI, e-GeM, e-PHASE60+ e-ticketing, Online bill tracking system, Safety Management System, Virtual Meet and e-Mail Solutions.

The technology deployed at Pawan Hans enables employees to access mission critical information in efficient and seamless manner and also intends to drive competitive advantage in the competitive market. The ICT environment facilitates easy and quick access to services, computing resources, online learning materials, training manuals and other centralised applications. The technologies that are in place also empower the employees to continuously upgrade their skills and bring about diverse improvements in their working environment.

Pawan Hans adopts best IT practices to balance cost control and customer services for better and meaningful delivery of services with an objective to standardize various business processes "under ease of doing operations".

VII. Human-Resource Management

a) <u>Manpower</u>

The total manpower of the Company as on 31st March 2020 was 690 (with 369 permanent employees and 321 contractual employees) as against 722 as on 31st March 2019 which comprise of 123 pilots, 101 Aircraft Maintenance Engineers, 4 Flight Engineers, 47 Executives, 144 Technicians and 271 other technical and non-technical employees. Your Company continued to face high rate of attrition of pilots during the year. Your Company has been making continuous efforts to intake pilots and has conducted interviews/ selection but shortage continues.

b) <u>Industrial Relations</u>

Industrial relations during the period continued to be cordial and harmonious. Regular meetings with employees representatives were held. The issues concerning employees were resolved through dialogue and discussion in various meetings. Revised IDA pay scales and allowances in respect of Executives, Pilots and Engineers (both regular and contractual) as well as for unionised categories of employees have been implemented.

c) <u>Employees Welfare</u>

The Company continues to extend welfare benefits to the employees and their dependents by way of comprehensive medical care, housing loan, post retirement medical benefit and social security. The Company continues to align its policies with changing economy and business environment. The Company has established three Trusts for welfare of employees i.e. Employees Contributory Provident Fund Trust, Employees Gratuity Fund Trust and Employees Defined Contributory Pension Trust.

PHL organized a cleanliness drive near office premises & encouraged the neighbouring enterprises to join in as well

d) Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

As per the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under, your Company has in place, a committee for prevention, prohibition and redressal of sexual harassment at workplace.

No case of Sexual Harassment was reported in the Financial Year 2019-20.

e) Employment of Persons with Disabilities and implementation of Government directives for priority section

The Company has been following the provisions of the Persons with Disabilities (equal opportunities, protection of rights and full participation) Act, 1995. The Company complies with the Govt. directives for priority sections of society i.e. SC/ST and OBC.

Medevac Sortie done by Pawan Hans in Mizoram from Serchhip to Aizawl. Patient plus 03 attendant & family members evacuated.

f) **Training**

Training of all employees i.e. Executives, Pilots, Engineers, Technicians and Support staff continued to receive high priority. Lectures on different subjects of Managerial Skills have been conducted regularly. The Company has also been nominating employees to specialized training programmes and in-house training. During the year (2019-20), 18 Officers and staff members have been detailed for External Training such as IIM, ASCI, MDI, ICWA etc and 220 numbers have been trained In-House on various managerial and Supervisory skills. The resources of Aviation Training School of Pawan Hans were utilized for conducting various refresher courses for Pilots, Engineers and Technicians on regular basis. The Company has set up in September, 2009 DGCA approved Helicopters Training Institute at Mumbai for conducting DGCA approved Basic Aircraft Maintenance Engineering License preparatory course for the purpose of acquiring AME license.

PHL is laying special emphasis on Training of the Crew and Training methodology to enable pilots to tackle the emergent situations. Simulator Training of all crew is also ensured which involves training on handling all kinds of critical emergencies so that pilots are better prepared to handle such emergencies while flying.

VIII. Safety Management System and FOQA system

Safety is of paramount importance and your Company is pursuing safety in its operations and maintenance activities as a continuous process.Third party Safety (SMS) audits by Global Domain Experts are carried out periodically. M/s Bureau VERITAS, after the audit, has assessed that Pawan Hans Limited is a well-structured organisation supported by competent personnel with good staff involvement and well documented safety systems. Strengths as well as weaknesses of the organisation has been highlighted in the report.

Recommendations of third party audits are taken-up and implemented. Safety Directorate of PHL is further being strengthened with appointment of safety officials at major bases like Rajahmundary, Port Blair, Kavaratti, Rohini, Guwahati and Mumbai .

In addition to Mumbai, FOQA System has now been established at Delhi also for daily flight data analysis for improvements in areas of weakness. Helicopter tracking system has also been installed in ten helicopters and in process for entire fleet of PHL.

Safety Policy of the company has also been revised to include Safety as a core activity of the company. Your Company has also implemented Safety Management System (SMS) using software based “SMS Pro” for its operations and maintenance activities as per ICAO/DGCA guidelines.

The Company’s National Institute of Aviation Safety & Services at CO, Noida is also conducting various courses e.g. CRM, SMS, SGT and Human Factor Trainings using classroom and video based online classes.

IX. Board of Directors

The Board of Directors held six meetings during the year 2019-20. The Board consists of the following members presently as well as during the financial year 2019-20:

At present

Shri Sanjeev Razdan	Chairman & Managing Director(w.e.f.17.02.2020)
Mrs. Usha Padhee	Government Nominee Director & Chairperson & Managing Director (upto 17.02.2020)
Shri Vimalendra Anand Patwardhan	Government Nominee Director
AVM Surendar Kumar Indoria	Government Nominee Director representing Indian Air Force
Shri Rajesh Kakkar	Nominee Director representing ONGC
Air Marshal Prashant Purushottam Khandekar AVSM (Retd.),	Independent Director

Ceased to be Directors during 2019-20

Shri Praveen Garg	(from 28.01.2020)
Shri Arun Kumar	(from 10.07.2019)
Shri Ashok Nayak	(from 23.01.2020)
Dr.Harish Chaudhary	(from 23.01.2020)
AVM Sanjeev Kapoor	(from 01.01.2020)

The Board places on record its appreciation for the valuable services rendered by Smt. Usha Padhee as Chairperson & Managing Director, Shri Arun Kumar,Shri Praveen Garg, Shri Ashok Nayak, Dr.Harish Chaudhry and AVM Sanjeev Kapoor as Directors during their tenure.

Details of Key Managerial Personnel

In terms of section 203(1) of the Companies Act, 2013 and Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014 the Company has following whole time Key Managerial Personnel:-

I) Shri Sanjeev Razdan, CMD (w.e.f.17.02.2020)

ii) Smt.Usha Padhee, Chairperson & Managing Director (upto 17.02.2020)

iii) Shri Ranjit Singh Chauhan, Company Secretary

iv) Shri Ashish Yadav, Chief Financial Officer (upto 20.05.2020).

v) Shri Shankar Lal Goel (w.e.f. 21.05.2020).

Accountable Manager

i) Air Cdr. (Retd.) T.A. Dayasagar, Executive Director is Accountable Manager for the purpose of requirements under DGCA rules.

ii) Shri M.S. Boora, General Manager (Safety) upto 31.07.2020

iii) Shri Vijay Pathyan, Officiating General Manager (Safety) w.e.f. 1.08.2020

X. Directors' Responsibility Statement

Pursuant to provisions of Section 134(5) of the Companies Act, 2013 in the preparation of the Annual Accounts for the financial year ended 31st March, 2020, your Directors have:-

a) Followed in the preparation of Annual Accounts, the applicable accounting standards and proper explanation relating to material departure if any, have been incorporated.

b) Selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of Profit of the Company for that period.

c) Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) Prepared the Annual Accounts on a going concern basis, and

e) Devised proper system to ensure compliance with provisions of all applicable laws and such systems were adequate and operating effectively.

XI. Declaration by Independent Directors

Declaration under Section 149 (7) of the Companies Act, 2013 has been given by the Independent Director that they meet the criteria of Independence as provided in section 149 (6) of the Companies Act, 2013.

XII. Corporate Governance

Report on Corporate Governance including a certificate from practicing Company Secretary regarding compliance of Corporate Governance Guidelines is attached as **Annexure-A.** Management Discussion and Analysis Report is attached herewith as **Annexure-B.**

XIII. Statutory Auditors' Report

M/s J.P., Kapur & Uberai, Chartered Accountants were appointed as Statutory Auditors in pursuance of Section 139 of the Companies Act, 2013 by the Comptroller & Auditor General of India. The explanations by the Board on every qualification, reservation or adverse remark made by M/s J.P., Kapur & Uberai, the Statutory Auditors in their report are attached as **Annexure-C**.

XIV. Comments of Comptroller & Auditor General of India

The comments of the Comptroller & Auditor General of India pursuant to Section 143(6)(b) of the Companies Act, 2013 along with Management reply thereon is attached as **Annexure-D.**

XV. Secretarial Audit Report

In terms of section 204 (1) of the Companies Act, 2013, the Company has engaged M/s

VAP & Associates, Company Secretaries in whole time practice as Secretarial Auditors for conducting Secretarial Audit for the financial year ended on 31.3.2020. Secretarial Audit Report along with Board's Reply on the observations made by the Secretarial Auditor has been attached as **Annexure-E**.

XVI. Related Party Transactions

The particulars of contracts or arrangements made during the year with Related Parties referred to in section 188(1) of the Companies Act, 2013 are attached as **Annexure-F**.

issued by Ministry of Corporate Affairs. The terms & conditions of appointment of whole time Functional Directors is decided by the Government of India. The salary and Terms & conditions of appointment of CFO and Company Secretary being KMP of the Company are in line with the parameters prescribed by the DPE.

XVIII. CSR Committee

CSR Committee of your Company comprises of Air Marshal P.P.Khandekar, AVSM (Retd.), as Chairman, Shri Vimalendra Anand Patwardhan and AVM S.K. Indoria, ACAS (Ops. T&H) as Members. The Annual Report of CSR activities is attached as **Annexure-G**.

Pawan Hans Ltd. donated a Mobile Clinic under CSR Scheme to A&N Administration

XVII. Particulars of the Employees

Your Company being a Government Company, the provisions of section 197 (12) of the Companies Act, 2013 and relevant Rules shall not apply in view of Gazette Notification dated 5.6.2015

XIX. Vigil Mechanism

As an integrated part of Vigil Mechanism the Company provides an easily accessible machinery to the employees & public for redressal of their grievances by following the Government Guidelines. Regular public grievance monitoring on the Public Grievance Portal of Government is being made by the dedicated officer.

XX. Right to Information Act

The Company has set up mechanism throughout the organization to deal with requests received under RTI Act, 2005 by Central Public Information Officer at Corporate Office and Assistant Public Information Officer at WR & NR. The First Appellate Authority is also nominated at Corporate Office. The Company has expeditiously disposed requests under RTI Act and also complied with directions of Central Information Commission.

XXI. Citizens' Charter

Your Company has published Citizen's Charter on its website as per the format prescribed by the Ministry of Civil Aviation.

XXII. Integrity Pact

Your Company signs Integrity Pact with vendors at pre-tendering stage and the Integrity Pact forms part of major tenders valued at Rupees one crore and above and signed by the vendor.

XXIII. Compliance relating to Public Procurement Policy for MSMEs

In compliance to MSMEs Order, 2012, the details on purchase of goods and services from MSMEs by Corporate and Regional Office of PHL are as under:-

Heads	Financial years (Figures in lakhs)	
	2019-20	2018-19
Total Annual Procurement Value	4654.80	16508.73
Total Value of Goods & Services procured from MSEs (including MSEs owned by SC/ST entrepreneurs)	721.00	620.00
Total Value of Goods & Services procured from MSEs (including MSEs owned by Women entrepreneurs)	193.00	47.00
Total Value of Goods & Services procured from MSEs (including MSEs owned by SC/ST, Women entrepreneurs and other MSEs)	914.00	667.00

More than 90% of the procurement of goods & services in your Company are for helicopters related items and the list of items provided by Ministry of MSME are of non-aviation standards and these procurements are met by imports. For remaining procurement, the provisions of MSME Order, 2012 are being complied.

XXIV. Conservation of Energy and Technology absorption

In view of the nature of activities which are being carried out by the Company, provisions concerning conservation of energy & technology absorption are having very limited impact. Wherever necessary the Company is making efforts for conservation of energy, import substitution, in-house maintenance, product improvement and cost reduction.

XXV. Foreign Exchange Earning & Outgo

The Company earned Rs. 7784.87 Lakhs (previous year Rs.7049.96 lakhs) in foreign exchange during the year 2019-20. The foreign exchange outgo amounted to Rs. 1003.55 Lakhs (previous year Rs.12658.06 lakhs) during the year 2019-20.

XXVI. Extract of Annual Return

As per requirement of section 92 (3) read with Section 134 (3) (a) of the Companies Act 2013, an extract of Annual Return in form MGT-9 is placed at **Annexure-H** and the same has been hosted on the website of the Company i.e. *www.pawanhans.co.in* and can be viewed under the link at https://www.pawanhans.co.in/english/inner.aspx?status=2&menu_id=83

XXVII. Policy on Directors' Appointment etc.

Pawan Hans being a Government Company, the provisions of section 134(3) (e) of the Companies Act 2013 shall not apply in view of the Gazette Notification dated 5.6.2015 issued by Ministry of Corporate Affairs.

XXVIII. Performance Evaluation

Pawan Hans being a Government Company, the provisions of section 134(3) (p) of the Companies Act 2013 shall not apply in view of the Gazette Notification dated 5.6.2015 issued by Ministry of Corporate Affairs.

XXIX. Statutory Disclosures

a) There was no change in the nature of business of the Company during the financial year 2019-20.

b) The Company has not accepted any public deposits during the financial year 2019-20.

c) No significant and material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

d) The Company maintains an adequate system of internal controls including suitable monitoring procedures, which ensures adequate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and company policies.

e) There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year i.e. 31.3.2020 and the date of this report.

XXX. Official Language Policy

During the year under review, the Company has made significant progress towards implementation of various provisions of Government's Official Language Policy by celebrating Hindi Day/Pakhwada, holding Hindi workshops, granting monetary incentives and issuing bilingual advertisements and compliance to Section 3(3) of Official Language Act, 1963. The Company has introduced Unicode Hindi Software in all its offices, Hindi workshops are conducted at regular intervals. Further, in recognition of performing maximum work in Official Language, Pawan Hans has been awarded the IInd Prize by Ministry of Civil Aviation and also for Pawan Hans In-house magazine, "Hansdhwani" awarded IInd Prize in the inter Sub-ordinate offices organized by MoCA during Hindi Pakhwada (14.09.2020 to 28.09.2020). The awards on the occasion have been presented by Secretary (OL), Ministry of Home Affairs and Secretary, MoCA.

XXXI. Vigilance

The Company has a Vigilance Department headed by Chief Vigilance Officer. As per CVC's guidelines, e-tendering, e-ticketing, e-payment and file tracking have been implemented. To ensure transparency in procurement, Integrity Pact Program and Integrity Pact has been adopted as per directions of Central Vigilance Commission. Due to revised SOP for adoption of Integrity Pact issued by CVC, revised Integrity Pact Program has been approved by the Board of Directors and henceforth the same has implemented. The Whistle Blower Policy of the Company has been approved by the Board of Directors.

Conscientious functioning of the Vigilance department has added to the efficiency and image of the organisation as well as to the code of accountability.

During the period the Vigilance department enquired into few cases and necessary systemic improvements have been suggested to the management for their implementation to enhance transparency, accountability in the company.

Vigilance department has also been carrying out various inspections of Bases/ Regions of the company to improve and simplify the existing procedures and practices prevailing in the organisation especially in the areas concerning the process followed for accounting of spares to increase the efficiency, curtail expenses and enhance transparency. The inspections also focused on the causes of delay and possible measures so that suitable procedure may be devised to minimize such delays and reduce the scope of corruption opportunities.

To strengthen the vigilance machinery, review of annual property returns and leveraging technology were also undertaken. Vigilance Department has focused to have in place effective preventive measures to fight corruption and also to enhance transparency and accountability in the functioning of organisation

On the direction of the CVC, Vigilance Awareness week during 28th Oct to 2nd Nov 2019 with focus on the theme of "**Integrity – A way of life**" was organized in Pawan Hans Ltd.

XXXII. Awards, Accolades and New Initiatives

Your Company and Airbus Helicopters signed a Memorandum of Understanding (MoU) to collaborate for the introduction of two new categories of rotorcraft in its fleet in future as well as for the repair, maintenance and overhaul of its existing

Pawan Hans participation during International Exhibition and Conference on Civil Aviation sector Wings India March 2020 at Begumpet Airport Hyderabad India

Commencement of Services under the RCS UDAN II in Uttarakhand on route Dehradun-New Tehri-Srinagar-Gauchar-Srinagar-New Tehri-Dehradun The Services were inaugurated on 29th July 2020

AS365N Dauphin helicopters on 19th June 2019 during Paris Airshow at France. This also provides for customized training and on-site Safety Management System (SMS) for PHL pilots.

New businesses:

Following New Initiatives under RCS UDAN have been pursued and finalized till recently.

PHL Started operations under RCS UDAN Scheme on the following routes:

1) Shimla-Kullu-Shimla (Thrice a week) w.e.f. 13.05.2019.

2) Shimla-Dharamshala-Shimla (Thrice a week) w.e.f. 14.05.2019.

3) Commencement of Services under the RCS UDAN II in Uttarakhand on route "Dehradun New Tehri-Srinagar-Gauchar-Srinagar-New Tehri-Dehradun". The Services were inaugurated on 29th July 2020 by Hob'ble Chief Minister of Uttarakhand.

XXXIII. Acknowledgements

The Board of Directors deeply appreciates the continued co-operation, guidance and support received from the various Ministries of the Government of India, particularly, the Ministry of Civil Aviation and the Director General of Civil Aviation.

The Board expresses its thanks for the continued confidence reposed by the Oil and Natural Gas Corporation Ltd., various State Governments and other customers and all other stake-holders in the operations of the Company.

The Board also places on record its appreciation of the sincere and devoted services rendered by the employees at all levels for the progress of the Company.

For & on behalf of the
Board of Directors

Sd/-
(Sanjeev Razdan)
Chairman & Managing Director

Date : 29th December, 2020
Place : Noida

ANNEXURES TO THE BOARDS' REPORT

Annexure-A

COMPANY'S REPORT ON CORPORATE GOVERNANCE

A. Corporate Governance

The Company's philosophy on Corporate Governance reflects the ethos of the Company and its continuous commitment to ethical business principles across its operations. Sustaining a culture of integrity along with high performance orientation and an adaptive management style in today's dynamic business environment needs a robust governance structure.

Corporate Governance is more than set of processes and compliances at PHL. PHL is having a well defined corporate structure that establishes checks and balances and delegates decision making to appropriate levels in the organization, though the board remains in effective control of the affairs of the company. PHL believes that good Corporate Governance practices are essential for generating long term value and maintaining a sustainable business model.

The Corporate Governance structure of the Company is multi-tiered, comprising of Board of Directors at the apex level and various committees, which collectively ensure highest standards of Corporate Governance and transparency in the Company's functioning. Board is committed to ensuring there is a strong and effective system of corporate governance in place to support the successful execution of Company's strategy. The Board exercises independent judgment in overseeing management performance and plays a vital role in the oversight and management of the Company.

PHL has laid down a well-defined the Code of Conduct for all the Board Members and Senior Management Personnel of the Company, which is also uploaded on the website of the Company. All Board Members and Senior Management Personnel have affirmed compliance to the Code of Conduct. A declaration signed by the CMD affirming the compliance with the Code of Conduct by the Board Members and Senior Management Personnel of the Company is attached and forms part of this Report.

B. Board of Directors

During the year 2019-20, six meetings of Board of Directors were held on 15.04.2019, 15.07.2019, 25.09.2019, 31.10.2019, 13.01.2020 and 21.01.2020.

The details regarding attendance of the Directors in the Board Meetings and the last AGM held on 26.09.2019 and number of other directorships & committee memberships, Chairmanships are as follows:-

Name of the Director	Category	Number of Board meetings attended during 2019-20	Attendance in last AGM	Number of Directorship in Other Companies	Number of Membership in Committees (including PHL)	
					Member	Chairman
Shri Sanjeev Razdaan	Chairman & Managing Director (w.e.f. 17.02.2020)	N.A.	N.A.	-	-	-
Smt. Usha Padhee	Government Nominee Director & CMD(upto 17.02.2020)	5	Yes	2	1	NIL

Shri Arun Kumar	Government Nominee Director	1	N.A.	8	N.A.	N.A.
Shri Rajesh Kakkar	Government Nominee Director & representing ONGC Ltd.	2	No	3	4	NIL
Sh.Praveen Garg	Government Nominee Director	0	No	N.A.	NIL	NIL
AVM Sanjiv Kapoor	Government Nominee Director representing Indian Air Force	4	Yes	NIL	1	NIL
Dr. Harish Chaudhry	Independent Director	4	Yes	NIL	3	1
Sh.Ashok Nayak	Independent Director	5	Yes	NIL	3	2
Air Marshal P.P. Khandekar AVSM (Retd.)	Independent Director	NIL	N.A.	NIL	-	-

C. Audit Committee

PHL has in place an Audit Committee in terms of Section 177 of the Companies Act, 2013 and also as per DPE guidelines. The Audit Committee inter-alia reviews the financial statements, internal control system, internal auditors report, statutory auditors report, comments of C&AG. The Committee also oversees Company's Financial Report Process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible. Reviewing the adequacy of the internal audit function is also undertaken by the Audit Committee. The Terms of Reference of Audit Committee are as per provisions of section 177 of the Companies Act, 2013 as well as DPE guidelines.

During the financial year 2019-20, the Audit Committee held four meetings on 15.07.2019, 25.09.2019, 31.10.2019 and 13.01.2020.

The composition of Audit Committee and attendance in Audit Committee meetings held during the year 2019-20 is given below:-

S.No.	Name of the Director	Designation	Category	Attendance
1	Shri Ashok Nayak (upto 23.01.2020)	Chairman	Independent Director	4
2	Dr.Harish Chaudhry (upto 23.01.2020)	Member	Independent Director	3
3	Shri Arun Kumar (ceased w.e.f. 11.07.2019)	Member	Government Nominee Director	NIL
4	Sh.Praveen Garg (appointed w.e.f. 11.07.2019)	Member	Government Nominee Director	2
5	Shri Rajesh Kakkar	Member	Government Nominee Director	1

D. Nomination & Remuneration Committee

Your Company has a duly constituted Nomination & Remuneration Committee pursuant to the provisions of section 178 of the Companies Act, 2013 as well as DPE guidelines on Corporate Governance. The functions of the Nomination & Remuneration Committee are as specified in the above mentioned provisions except those exempted for Government companies.

The Nomination & Remuneration Committee comprised of Shri Ashok Nayak, as Chairman, Dr. Harish Chaudhry, Smt. Usha Padhee and Shri Rajesh Kakkar as Members.

During the financial year 2019-20 no meeting of the Remuneration Committee was held.

E. Annual General Meetings

Details of last three (3) Annual General Meetings are given as follows:

No. of AGM	Financial year	Date	Time	Venue	Special Resolution
32^{nd}	2016-17	27.12.2017 & adjourned meeting on 16.2.2018	12.00 Noon and 6.00 PM	Regd. Office of the Company at Rohini Heliport, Sector-36, Rohini, New Delhi and adjourned Meeting at Hotel Ashok, Chanakyapuri, New Delhi.	One Special Resolution for shifting of Registered Office from NCT of Delhi to State of Uttar Pradesh
33^{rd}	2017-18	28.12.2018	1.00 PM	Convention Centre, SCOPE, CGO Complex, Lodhi Road, New Delhi.	NIL
34^{th}	2018-19	26.09.2019	12.30 PM	Hotel Ashok, 50-B, Diplomatic Enclave, Chankyapuri, New Delhi-110021.	NIL

F. Disclosures

i) Disclosure on materially significant Related Party Transactions.

Details of the Related Party Transactions as per Indian Accounting Standard-24 forms part of the Notes to the Accounts. Also Form AOC-2 containing particulars of Related Party Transactions is attached as **Annexure-F** to Board's Report.

ii) There is no significant non-compliance by the Company and no penalties, strictures have been imposed on the Company by any Statutory Authority on any matter related to any guidelines issued by Government during the last three years.

iii) Whistle Blower Policy

A Whistle Blower Policy has been implemented. The policy provides that a genuine whistle blower is granted due protection from any victimization with access to Ombudsperson and Audit Committee. The policy is available to all employees of the Company and uploaded on the intranet of the Company. It is affirmed that no personnel has been denied access to the Audit Committee.

iv) Certificate from Practicing Company Secretary regarding compliance of Corporate Governance Guidelines

Certificate from practicing Company Secretary regarding compliance of Corporate Governance Guidelines has been received and the same is included in **Annexure-A** to Board's Report.

v) Presidential Directives

No Presidential directive was issued by the Central Government during the last three years.

G. Internal Audit / Internal Control System / Delegation of Powers

During the financial year 2019-20 the Internal Audit has been carried out by Internal Audit department of the Company. Observations of Internal Audit are periodically reviewed by the Audit Committee of the Board and necessary directions are issued whenever required. The Company has established adequate Internal Financial Control System & Procedures. The Company has a well defined Delegation of Financial Powers to its various executives through the Delegation of Powers Manual.

H. Training of Board Members

The new Directors are given orientation and induction regarding company's vision, core value including ethics, financial matters, business operations, risk matters. The normal practice is to furnish booklets, brochures, Annual report, MOU signed with administrative ministry, Memorandum & Article of Association of the company, guidelines on Corporate Governance etc.

Apart from above, Directors are also nominated for training on Corporate Governance and other subjects conducted by DPE and other Institutions.

I. Means of Communication

Annual results to the shareholders are sent by way of Annual report and the Annual Report is also posted on website of the Company i.e. www.pawanhans.co.in on the website, tenders and career opportunities are also posted.

DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

I hereby declare that the Company has received affirmation from the Board Members and the Senior Management Personnel with regard to Compliance of the Code of Business Conduct and Ethics of the Company for Directors and Senior Management Personnel, in respect of the financial year ended on 31st March, 2020.

Sd/-
(Sanjeev Razdan)
Chairman & Managing Director
DIN No. 08711596

Place: Noida
Date: 14-10-2020

CERTIFICATION / DECLARATION OF FINANCIAL STATEMENTS BY THE CHIEF EXECUTIVE & CHIEF FINANCE OFFICER OF THE COMPANY

We Sanjeev Razdan, Chairman & Managing Director and Shanker Lal Goel, CFO of Pawan Hans Limited certify that in respect of the Financial Year ended on 31st March 2020 :

(1) We have reviewed financial statements and the cash flow statements for the year and that to the best of our knowledge and belief :

- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
- (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(2) There are to the best of our knowledge and belief, no transaction entered into by the company during the year which is fraudulent, illegal or violative of the Company's code of conduct.

(3) We accept responsibility for establishing and maintaining, internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same.

(4) We have indicated, wherever applicable, to the auditors and the Audit Committee.

- a. significant changes, if any in internal control over financial reporting during the year;
- b. significant changes, if any in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- c. instances of significant fraud, if any wherein there has been involvement of management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-	**Sd/-**
(Sanjeev Razdan)	**(Shanker Lal Goel)**
Chairman & Managing Director	CFO
DIN No. 08711596	

Place: Noida
Date: 14-10-2020

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE NORMS
(As per Clause 8.2.1 of the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by DPE)

To
The Members,
Pawan Hans Limited.

We have examined the relevant books, records and statements in connection with compliance of the conditions of Corporate Governance of Pawan Hans Limited for the financial year ended 31st March, 2020, as stipulated in as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010 issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India.

The compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as laid down in the guidelines. Our Certification is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance norms as stipulated in DPE Guidelines, except the following:

1. As per the DPE Guidelines, not more than four months shall elapse between two meetings, however, the time gap between Audit Committee Meetings dated 28.12.2018 and 15.07.2019 is exceeding 4 (Four) months.
2. As per the DPE Guidelines, at least one-third of the Board Members should be Independent Directors, two-thirds of the members of audit committee shall be Independent Directors and the number of Nominee Directors appointed by the Government shall be restricted to a maximum of two.
3. The Company is required to periodically review and take remedial action to implement the Risk management plan.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of the effectiveness with which the management has conducted the affairs of the Company.

Place: Ghaziabad
Date: 14-10-2020

For VAP & Associates
Company Secretaries

(Parul Jain)
Proprietor
M. No. 8323
COP No. 13901

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Industry Structure and Developments

The civil aviation industry in India has emerged as one of the fastest growing industries in the country during the last three years. India is currently considered the third largest domestic civil aviation market in the world and is expected to overtake UK to become the third largest air passenger (domestic and international) market by 2024.

The usage of civil helicopters in India is majorly confined to logistic air support to offshore exploration & production, non-scheduled passenger service and only a very small percentage of total helicopter operations are devoted to application roles such as hotline washing, casualty air evacuation, electronic news gathering, under-slung load operations, airborne law enforcement etc. vis-à-vis developed nations, where the major helicopter deployment is in such areas.

There are approximately 244 civil registered helicopters in India for a population of 138 coroes which works out to one helicopter per 56 lakhs people against the world avergage of one helicopter per 4.45 lakh people., As per the HAI statistics, out of total world civil helicopter population of 41,000, India accounts for less than 1%. In fact, India currently has civil helicopters less than Switzerland. Despite of this statistics, the market and industry remains optimistic about the Indian Civil Helicopter Industry.

Regulatory support is being provided by MoCA & DGCA through various policies as given below:-

i) Regional Connectivity Scheme (RCS):

The growth of air connectivity to India's remote regions has historically been restricted due lack of proper infrastructure and preference for railways due to high airfares.

MoCA released the RCS – UDAN scheme on October 21, 2016 for a period of 10 years and approved the revised RCS version 2.0 document dated August 24, 2017 which plans to stimulate regional air connectivity by making it affordable by providing a favorable eco-system through fiscal support and infrastructure development.

The scheme specifies airfare caps for helicopters ranging from Rs. 2,480 to Rs. 4,970 based on flight duration and inflation. A Regional Connectivity Fund (RCF) to be created through a levy or fee per departure on domestic departures. Further, excise duty on ATF to be reduced from 14% to 2% for a period of 3 years & VAT on ATF to 1% or less for a period of 10 years. Additionally, support to be provided by airport operators (AAI, State Governments, private players or the Ministry of Defence) in the form of no levy of landing and parking charges on RCS flights etc.

Further, the maximum no. of RCS seats for which the airfare would be capped are 40 for Fixed Wing Aircraft and 13 for Helicopters, and accordingly, small fixed wing aircrafts and medium helicopters may be ideally placed to cater to RCS requirements.

PHL has been awarded with 11 routes under RCS (Round – 2) bidding and has commenced operations on the routes of Chandigarh-Shimla-Chandigarh (Six days a week), Shimla-Kullu-Shimla (Thrice a week) and Shimla-Dharamshala-Shimla (Thrice a week). *PHL has also* commenced Services under the RCS UDAN II in Uttarakhand on route "Dehradun New Tehri-Srinagar-Gauchar-Srinagar-New Tehri-Dehradun".The Services were inaugurated on 29th July 2020 by Hob'ble Chief Minister of Uttarakhand.

ii) Helicopter Emergency Medical Services (HEMS):

Across the globe, around 11% of civil helicopters are used for emergency medical services and around 13% of new helicopters planned to be acquired during next five years are expected to be utilized for HEMS and search & rescue operations. However, even with a population of more than 1.3 billion residents, the presence of HEMS services is almost negligible in India. In comparison, USA with a population of 321 million people is already served by 1,500 EMS helicopters.

iii) The National Civil Aviation Policy (NCAP) 2016

NCAP also identifies Helicopter services as critical in the areas of intra-city movement, tourism, law enforcement, disaster relief, search and rescue, emergency medical evacuation, etc. and aims to promote helicopter usage in the following manner:

- The Government shall notify separate regulations for helicopters and facilitate development of at least four heli-hubs initially, across the country to promote regional connectivity.
- AAI may provide or earmark / lease land for helicopter operations at airports on appropriate commercial terms from where helicopters can operate without interfering with fixed wing traffic. Further, airport charges for helicopter operations shall be suitably rationalized.

Impact of COVID-19 Pandemic

During the last quarter of F.Y. 2019-20, the World was hit by COVID-19 Pandemic. Its increasing effect began to appear in India during the month of March, 2020. To combat this Pandemic, Government of India enforced total lock-down in the country w.e.f. 25.3.2020. During this period, the Company played important role by way of rescueing stranded passengers, undertaking medical evacuation flights and delivering cargo to the farthest and inaccessible corners of the country. But due to the impact of COVID-19, flying of the Company has been reduced by 50% approximately which has very adversely affected the revenue of the Company. Restoration of flying operations to the level prior to spread COVID 19 Pandemic may take some more time.

B. SWOT Analysis

Strength

PHL has established itself as a reputed brand and is the largest helicopter operator in India. PHL's strength include the following:-

- Good Brand Equity and Track Record.
- Dedicated and experienced workforce capable of performing in most difficult geographies and terrain.
- Government of India lineage and support.
- Deployment of helicopters to Institutional customers on long term basis (ONGC, State Governments, PSUs, etc.).
- State-of-art maintenance facilities.
- Competitive advantage because of availability of fleet mix to cater to different needs of customers.

Weakness

- Old helicopter fleet.
- Shortage of pilots.
- Inability to acquire new helicopters on account of hold on incurring of capital expenditure due to ongoing strategic disinvestment.

- Stiff competition in the market, the margins to be kept low for grabbing the projects.

Opportunities

- Growth in Heli-tourism.
- MRO facilities.
- Consultancy in the field of development of new Heliports by various State Governments.
- Medical Evacuation.
- Disaster Management.
- Sea Plane operations.

Threats

- Due to old fleet, cost of repairs has become high.
- Increase in AOG days due to shortage of pilots, increased repair time resulting in imposition of LDs by the customers.
- Stipulation by some clients regarding vintage clause due to which Company may not be able to participate in the tenders.

C. Segment-wise Performance

Your Company is primarily engaged in domestic non-scheduled air transport service of passengers and therefore as per provisions regarding segment-wise performance reporting are not applicable to it.

D. Outlook

Pawan Hans has prepared a five year Business Plan 2019-2024 in order to retain its leadership position which inter-alia includes taking of the following key initiatives over the next 5 years:

➢ Helicopter Operations:-

- Strengthen competitive position in existing markets.
- Pursue Business in new areas
- Operation & Maintenance Contracts for helicopter owned by others.

➢ Providing of MRO facilities

➢ Establishing Heliports and Heli Hubs

➢ Sea Plane operations

➢ Fixed wing operations

➢ Improvement of customer satisfaction

Strengthen competitive positon in existing markets :-

➢ Renew existing contracts for market advantage.

➢ Maintain high standards for safety and reliability

➢ Selectively pursue international operations whenever opportunity arise

➢ Strengthen its competitive advantage by improving focus on customer needs

➢ Strengthen relationship with customers and other business associates.

Pursue business in new areas :-

- Consultancy and Project Management for heliports with various States. The Company has already taken up consultancy work for 31 Heliports in five States under RCS Scheme.
- Medical evacuation, law enforcement, news gathering, intra-city transportation connecting airports to city- centers in major cities, corporate travel, hotline washing of power insulators, etc.
- There is tremendous potential in the tourism/pilgrimage areas in the country that need to be carefully tapped. New areas that can be explored for this purpose are States of Himachal, Uttrakhand, Gujarat, South India, Goa and North–East States.

Disaster Management- dedicated emergency medical services/SAR operations :-

- The country's first Medivac helicopter to ONGC was provided by PHL.
- PHL would explore possibility to venture into Medivac/SAR sector in association with NDMA.

Helicopter maintenance services :-

Pawan Hans is an Authorised Maintenance centre of M/s Eurocopter, France for Dauphin series of Helicopters. Pawan Hans plans to expand its repair and overhaul business by offering its services to other operators having fleet of Dauphin in the initial stages. For this purpose, it plans to create a new state-of–the–art Maintenance Centre. Pawan Hans is working on a proposal to set up MRO facilities for defence helicopters and is working out the details with M/s. JSC Helicopters, Russia and Indian Airforce for Mi-172 and with M/s.HAL for Dhruv helicopters.

Improvement in customer satisfaction:-

Pawan Hans has been collecting feedback both from the passengers travelling as well as from the customer organizations from time to time and has also engaged an outside agency to redevelop the proforma and collect feedback from them.

Strategic Disinvestment

Government of India decided for strategic disinvestment of the entire 51% share holding of Government of India in Pawan Hans Limited along with transfer of management control. M/s SBI Capital Markets Ltd. and M/s.Crawford Bayley & Co. were appointed as Transaction Advisor and legal Advisor respectively by DIPAM, Ministry of Finance for the said strategic disinvestment. M/s.RBSA Advisor was appointed by Ministry of Civil Aviation for valuation of PHL assets. The work pertaining to valuation of assets by M/s.RBSA is complete.

Subsequently, Oil and Natural Gas Corporation Limited ("ONGC"), vide its board resolution dated August 02, 2018, also decided to offload its entire shareholding of 49% in PHL.

The disinvestment process could not be completed due to poor response from bidders. EOI/PIM documents are being updated and the same will be issued afresh in due course.

E. RISKS AND CONCERNS

PSUs like ONGC and GSPC have issued tenders with 7 to 10 years vintage conditions of helicopters. Some North East States like Government of Arunachal Pradesh have also floated tenders for Heavy helicopters with 5 years vintage. There is therefore, risk of finding new business for the older helicopter fleet in case this trend is followed by some other customers. The recovery period of customer dues specially from some State Governments is long resulting in large amount of outstanding dues. This affects the cash flow of the Company. Although, most of the Contracts with the customers have an inbuilt provision for hedging against fluctuations in terms of rates of foreign exchange and Aviation Turbine Fuel, such fluctuations affects contracts which may have fixed and firm charter rates for helicopter services leading to increased input cost and reduced profit margins. Aviation business is characterized by the safety in air and on ground. Helicopter accidents may affect customer confidence and influence the business of the Company.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Standard procedures and guidelines are issued from time to time to institutionalize best practices in all facets of activities. Pawan Hans has an adequate system of internal control to ensure that all activities are monitored and controlled against any unauthorized use of the assets and those transactions are authorized, recorded and reported correctly. The Company ensures adherence to all internal control policies and procedures as well as compliance with Regulatory guidelines with suitable connective measures if any. The Audit Committee of the Board of Directors oversee the adequacy of internal controls. Audit by Regulatory authorities covering operational and safety aspects is carried out from time to time.

ANALYSIS OF FINANCE AND OPERATIONS

Physical & Financial performance is submitted to the Board of Directors. The Company's website publishes the Annual Report as also official news are regularly and promptly displayed on the Company's website.

The revenue from operations earned by your Company during 2019-20 is Rs.34593.16 lakhs as compared to Rs. 38115.58 lakhs in the previous year. In percentage terms revenue from operations decreased by 9.24% as compared to previous financial year and loss from operations increased from Rs.9275.56 Lakhs to Rs. 9838.16 Lakhs. The reasons for such loss are dcrease in revenue from operation, salary revision of employees, imposition of liquidated damages, inability of the company to provide helicopters to ONGC etc. pursuant to a Notification of Award (NoA) issued in 2018 due to ban on capital investments etc. Reserves & Surplus of the Company stands at Rs.41305.86 lakhs (P.Y. Rs.44622.44 lakhs).

PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE PART-TIME DIRECTORS VIS-A-VIS THE COMPANY

There has been no pecuniary relationship of any part-time director during the year with the Company. Further, no remuneration or sitting fee has been paid to any part-time director except payment of sitting fee to the 2 Independent Directors for attending Board meetings and meetings of sub Committees of the Board.

HUMAN RESOURCES, INDUSTRIAL RELATIONS AND TALENT MANAGEMENT ISSUES

The staff strength as on 31st March, 2020 was 690 as against 722 as on 31st March 2019. During the year Industrial relations had been cordial. The Company has been sending its pilots and other staff for training as also doing internal training development of its employees on regular basis.

ENVIRONMENTAL CONSERVATION, RENEWABLE ENERGY USE AND R&D ISSUES

The Company has always considered energy saving and technology absorption as an important goal and high priority has been accorded to the same during the year under review. As part of Innovation, the Company has carried out study on indigenization of spares and enhanced reliability of HMUs (Dauphin N-3 helicopter).

CAUTIONARY STATEMENT

Statement in this Report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, figures and expectation may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

Annexure-C

Management Replies to the Observations of Statutory Auditors on the Financial Statements

Auditors' Comments

To The Members of Pawan Hans Limited

Report on the Audit of the Ind AS Financial Statements

Qualified Opinion

1. Non-adherence of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, as the Company has accounted for Allowance for Expected Credit Loss (ECL) in the current year aggregating to Rs. 4,643.38 lakhs, out of which Rs. 4,334.84 lakhs has been retrospectively restated in earlier years. Neither is it an omission from failure to use or misuse of reliable information nor mistake in applying accounting policies or oversight or misinterpretation of facts, but it is a change in accounting estimate, as the Company has always accounted for Provision for Impairment of Trade Receivables. Moreover, any change in accounting estimate has to be accounted for prospectively and not retrospectively. This has resulted in decrease in Provision for Impairment of Trade Receivables by Rs. 4,334.84 lakhs, decrease in Opening Reserves & Surplus by Rs. 4,334.84 lakhs and decrease in Loss from Continued Operations for the year by the aforesaid amount.

Management's Replies

The Company has adopted Indian Accounting Standard (Ind AS) with effect from April 1, 2016, with transition date of April 1, 2015 pursuant to notification issued by Ministry of Corporate Affairs dt. February 16, 2015, notifying the Companies (Indian Accounting Standard) Rules, 2015. During this period company has also implemented Component Accounting as per the requirement of Companies Act, 2013. Accordingly numerous changes are made in companies accounting policies to implement Ind AS and component accounting notified by the law. During the changes in accounting policies in FY 2016-17 which effective from 01/04/2015 under head Financial Assets following policy is introduced with subhead "Impairment of financial Assets(other than at fair value).,
"The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets that are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance computed using ECL model, are recognized as an impairment gain or loss in the Statement of Profit and Loss."

From the above it is clear that company has to implement the above policy effective from April 1, 2015 but not able to implement the same upto F Y 2018-19 the same was also qualified by our Statutory Auditors since F Y 2017-18. As per Ind AS there is no concept of Prior period adjustment and if there is any expenses or income related to previous year due to error or omission the same should be added to particular head of income and expenditure of that previous financial year & other prior period adjustment is other than previous year the same will be adjusted in retained earnings.

Accordingly due to error/omission in prior period, the company has adjusted Rs.3399.58 Lakhs in retained earnings against expected credit loss(ECL) upto F Y 2017-18 and ECL on Debtors is increased by Rs.935.26 Lakhs in Previous year 2018-19.

2.Non-adherence of Ind AS 115 "Revenue from Contracts with Customers" regarding is closure of movement of Trade Receivables during the year under review. As it is a disclosure requirement, it does not have any impact on the Ind AS financial statements.	This is only a disclosure requirement as per IND-AS 115 there is no financial impact on the Ind AS financial Statements. This will be disclosed in subsequent financial years.
3. Non adherence of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" as the Company does not have a defined system of cost centres nor does it compare actual vs. budgeted revenue for customer contracts, hence, onerous contracts and provision thereof, if any cannot be identified	Currently company is working out the profitability statement cost centre wise manually. The Company is in process of updating the system so that cost centre wise profitability can be ascertains and can be compared with approved budget.
4.Non-adherence of Ind AS 24 "Related Party Disclosures" as the management has not obtained list of relatives from KMPs & Board, we cannot confirm transactions, if any with such parties. Impact, if any on Ind AS financial statements cannot be quantified	There is no transaction with the related party other than disclosed in the financial statement. List of Related party of KMPs and two directors has already been shared.
5. During the year, Company has provided helicopters on charter business to a customer, estimated revenue for the period of flying was to be received in advance. Neither has the amount been received in advance nor approval from competent authority waiving the same has been provided to us. We have also observed excess billing in contravention of the agreement, which has been flagged by the customer and accepted by the Marketing Department. Amount due from the customer aggregating to Rs. 435.30 lakhs has neither been received subsequently nor any confirmation from the customer has been provided to us, hence, its impact on the Ind AS financial statements cannot be quantified.	As per agreement with the customer, the customer has to pay minimum 2 hours of flying per day or actual hours flown whichever is higher but customer is willing to pay the amount based on actual flying hours during contract period subject to minimum average 2 hours of flying per day. Company is following up with customer to pay the amount as per agreement.
6. During the year, NTPC helicopter was provided to a customer for charter business and credit @ 91.5% has been passed on to the former. As stated in point no. 5, the customer has disputed dues for days when the helicopter was on standby, which needs to be recovered from NTPC amounting to Rs. 46.45 lakhs. This has resulted in increase in Revenue by Rs. 4.32 lakhs and decrease in Loss from Continued Operations for the year by the aforesaid amount.	As explained above company is following up with customer to pay the amount as per agreement. If customer does not agree to pay the amount based on agreement, the company will issue the debit note to NTPC accordingly in subsequent year.
7. .The company has accounted for Unbilled Revenue of Rs. 1,078.67 lakhs in respect of a customer on account of foreign exchange fluctuations for the period 2015-2020, which was either not billed or wrongly passed onto the customer in contravention of the agreements, amount whereof has neither been received subsequently nor confirmed by the customer. Further, Allowance for Expected Credit Loss (ECL) of Rs. 812.44 lakhs has been accounted for during the year. This has resulted in increase in Revenue and Contract assets by Rs. 1,078.67 lakhs, increase in Provision for Impairment of Trade Receivables by Rs. 812.44 lakhs and decrease in Loss from Continued Operations for the year by Rs. 266.23 lakhs.	The total unbilled revenue of Rs. 1078.67 Lakhs accounted for in books of accounts against which the provision for expected credit loss of Rs. 812.44 lakhs have already been provided in books of accounts. Therefore, company has already taken the necessary action in compliance with accounting standard requirements. Company is in constant touch with the customer for payment.

8.Non-provision of Liquidated damages charged by one customer as confirmed by the Marketing department. Amount due from the customer is Rs. 572.02 lakhs as at the year-end, which has neither been received subsequently nor confirmed by it, hence, its impact on the Ind AS financial statements cannot be quantified.	The customer had not charged yet the Liquidated charges since the beginning of the contract i.e. since 2011. The company has taken up with the customer to waive off the LD.
9.We have observed extra billing of Rs. 40.80 lakhs to a customer during the year, in contravention of the provisions of the agreement, which required billing of actual flying hours or minimum guaranteed flying of 40 hours per helicopter per month, whichever is higher. However, same helicopter has been billed twice for 40 hours each for the month of May 2019. This has resulted in increase in Revenue by Rs. 40.80 lakhs, increase in Trade receivables by Rs. 48.14 lakhs and decrease in GST input by Rs. 7.34 lakhs and decrease in Loss from Continued Operations for the year by Rs. 40.80 lakhs.	No particular call sign of helicopter was earmarked to JK Govt. PHL commitment is only to provide Helicopter for dedicated minimum 40 hrs of flying task per month as per contract of UT of JK Govt. If flying hours utilized less than 40 hrs in a particular month then the balance hours to be carried forward next month and to be utilized during of currency of contract of six months. No where it is mentioned that PHL is to dedicate earmarked one particular helicopter to JK Govt and only through that particular helicopter PHL is to meet JK Govt. task of flying of min 40 hrs per month. No where it is mentioned that The PHL cannot utilize the helicopter (through which flying task of 40 hrs per month of JK Govt being done) for some other customer task, as long as JK Govt flying task are not hampered . No where it is written that PHL cannot raise billing of Customer other than JK Govt for that particular helicopter who is performing flying tasks of JK Govt of 40 hrs per month as long as JK Govt flying task are not hampered. PHL is free to utilize the particular helicopter to meet other customer task as per requirement without hampering JK govt flying task of min 40 hours per month and raise billing accordingly as per agreed terms with JK Govt and other customers, if required.
10.We have observed short billing of Rs. 76.48 lakhs to a customer during the year, in contravention of the provisions of the Original & Supplementary agreements, which required billing of actual flying hours or minimum 160 hours and 120 hours for the period September, 2019 to December, 2019 and January, 2020 to March, 2020, respectively. As per management, both contracts has been clubbed to identify minimum guaranteed average flying of 40 hours per month for the period September, 2019 to March, 2020, however, approval from competent authority in lieu of the same has not been provided to us. This has resulted in decrease in Revenue & Contract Assets by Rs. 76.48 lakhs and increase in Loss from Continued Operations for the year by the aforesaid amount.	Company has entered principal contract with customer for 1st September 2019 to 31st December 2019 and supplementary agreement from 1st January 2020 to 1st March 2020. In supplementary agreement rate was revised from Rs 3,30,000 per hour to Rs. 3,70,000. Principal of flying hour remain proportionate at the rate of 40 hours per month irrespective of the period of new engagement. As the supplementary agreement was extension of principal agreement therefore the unutilised flying hours has been adjusted at the end of contract period.
11. The company has got actuarial valuation of gratuity of its employees done by an actuary as at the year end, except for 16 contractual employees e.g. Base assistants, helpers etc. working at different bases of Northern Region and 37 Associate helicopter pilots hired by the company during the year. As information shared with the Actuary was incomplete, Provision for gratuity has been understated. Impact, if any, on the Ind AS financial statements cannot be quantified.	These contractual employees and Associate Helicopter Pilots are engaged for a period of three years or less. Hence at present not eligible for Gratuity.

12. The company has followed component accounting since the date of transition i.e. April 1, 2015 for its Property, Plant & Equipment. The company has identified six major components of the helicopters namely Engine, Main Gear Box (MGB), Hub Assembly, Transmission Assembly, Embedded maintenance and Hull. Engines of Dauphin N & N3 fleet are depreciated on average flying hours instead of actual flying hours for the year. Further, cost of overhaul of Engines of Dauphin N & N3 fleet during the year has been capitalised as a single line item, without charging off balance of respective components to the Statement of Profit & Loss. As cost of Engines to be decapitalised has not been identified, hence, its impact on the Ind AS financial statements cannot be quantified.

Engine with modular concept becomes composite of multiple sub components (each having its own life). The sub components are interchangeable highly mobile and are moved and shifted in various Engines fitted across Helicopters. In addition because of its cyclical, continuous interchange ability correlation with specific Engine vis-à-vis helicopter is not compatible with objective of contemporary modular maintenance philosophy.

Hence, the Company has considered average hours of the Fleet as against actual as a more rational measure of depreciation during the year.

Further, the above methodology has been concurred by the comptroller and auditor general of India in their comments under section 143 (6)(b) of the companies act,2013 on the financial statements of the company for the year ended 31 march 2017 under point B(i).

13. The company while calculating depreciation as per component accounting has considered 'zero' flying hours on the date of transition i.e. April 1, 2015 for all identified components. However, such components were already in use from their respective date of capitalization. As explained to us, actual hours flown of each component on April 1, 2015 could not be identified, hence, its impact on the Ind AS financial statements cannot be quantified.

PHL has implemented Component Accounting Policy in 2016 and while working out the depreciation as per new Component Accounting Policy, has considered zero flying hours for Engine & MGBs as per complexity of design & MRO procedures defined by the manufacturers for engines & MGBs. The engines for Dauphin N/N3 series, Bell 206/407 and Ecureuil AS350B3 series helicopters are modular design and are overhauled module wise instead of complete engine, thereby making it impractical to account for flying hour records for individual module.

Considering this complexity and in view of the necessity of implementation of new Component Accounting Policy as per Govt of India Guidelines, zero flying hours was considered for engines and MGBs in consideration of uniformity, complexity and ground level reality and for propose of calculating depreciation for these engines as per new Component Accounting Policy.

Further, many of these engines since inception or engine induction have become zero hours for engine or its components after OH and returned to service with full life. Engines of older technologies like Mi-172 engines are complex and has a dynamic life when individual components are changed to make it to full life after OH. Newer technologies, like modular concepts, only contributed to maintenance ease but increased the complexities of accounting. As these Engines / MGBs come to zero life many times in its life cycle, it is not practical to go to the inception. Therefore, as a onetime measure of zeroing has been adopted to implement the mandatory Component Account Policy. Subsequently actual hours / cycle on the Engines / MGSs are accounted for component monitoring.

14.The company has used carrying value on the date of transition i.e. April 1, 2015 as deemed cost of Property, Plant and Equipment. The company has considered Embedded maintenance of Rs. 40 lakhs for each Dauphin N3 helicopter and Rs. 60 lakhs for each Dauphin N helicopter. Basis of such allocation could not be justified and hence, its impact on the Ind AS financial statements cannot be quantified.	The Embedded Maintenance of Rs. 40,00,000 for N3 fleet and Rs 60,00,000 for N Fleet has been determined considering Average expenditure of G-Maintenance incurred on the N and N3 Fleet in the transition period only, which has been explained in the accounts of 2016-17. Further, from the FY. 2017-18 onwards the embedded cost is being capitalized on actual basis.
15. Reference is invited to Basis for Qualified Opinion paragraph, wherein clauses 2 to 5, 8, 11 to 14 either have no effect on the Ind AS financial statements or their impact cannot be quantified. Clause nos. 1,6,7, 9 & 10 will result in decrease in "Revenue" by Rs. 1,047.31 lakhs, increase in "Provision for Impairment of Trade Receivables" by Rs. 3,522.40 lakhs, decrease in "Trade receivables" by Rs. 48.14 lakhs, increase in "GST input" by Rs. 7.34 lakhs, decrease in "Contract Assets" by Rs. 1,002.19 lakhs, increase in "Opening Reserves and Surplus" by Rs. 4,334.84 lakhs and increase in "Loss from continued operations" for the year by Rs. 4,569.71 lakhs with consequential impact on Deferred Tax and EPS for the year ended on March 31, 2020.	It has been adequately explained above.
Emphasis of Matter 1. During the year, the company has provided services to 4 customers aggregating to Rs. 802.57 lakhs without underlying signed contracts/ addendums/ consent letters. In respect of another customer, services aggregating to Rs. 3,772 lakhs upto 2nd February 2020 were provided without underlying contract. The addendum was signed on 3rd February 2020 for the period 28th February 2018 to 31st March 2020.	a. PHL has sent duly signed copy of addendum to Govt of Sikkim. However, there was delay on part of the state government for signing of addendum due to the lockdown issues and inability by the region to provide contracted helicopter hence creating dispute situation. However, the state government has confirmed that the addendum is being signed through a letter. However they have requested PHL to provide helicopter which was originally contracted helicopter. b. Govt of Odisha : PHL is pursuing with the state so that the addendum is in place for the period Helicopter / crew was available. c. UT of J&K and J&K Police : Agreement for relevant period with UT of J&K and with J&K Police are already in place. d. For HP : Invoice was raised and the payment has already been received. Further, The signing of addendums takes some time being Government customers due to negotiation of rates for providing of services but services are always provided on consent from customer to continue the services. Invoice for differential amount can be raised to customer after signing of addendum/acceptance of revised rate in these cases, contract between the parties is established by their conduct, therefore, existence of written addendum is not is pre-requisite for providing services.

2.Branch Auditor of Western Region have observed that during the year, Dauphin N3 was provided to a customer who had agreement for Dauphin N, resulting in loss of revenue to the tune of Rs. 643.90 lakhs. On our test check, we have observed that the company does not map customer contracts in hand vis a vis availability of serviceable helicopters of respective types for e.g. the company has contracts for 3 Bell 206L4, however, it has only 2 serviceable Bell 206L4 at its disposal, which will either result in levy of liquidated damages or substituting it with a higher grade helicopter, if available.

Initially the Company had deployed Dauphin N as per the contract, later on the request of Customer Dauphin N3 was deployed and conveyed to the customer to pay the rates of Dauphin N3. The company is regularly following up with the customer to pay the rates of Dauphin N3. The Company has taken up the matter with MHA.

Company has a contract with J&K Govt. in which we have to deploy 3 Bell 206L4 however due accident of one Bell 206L4 in 2018 we are able to deploy only 2 Bell 206L4, therefore to meet the requirement of contract we deploy one Bell 407 as replacement.

3. As stated in Note no. 32 XXXII viii A, during the year, lifetime expected credit loss allowance has been accounted for by the company, based on certificate provided by the Consultants. However, the Consultants have not considered factors like e.g. excess/under billing or liquidated damages deducted by the customers, but not accounted for by the company etc. as highlighted by us elsewhere in the report. Therefore, allowance for Expected credit loss accounted for by the company cannot be substantiated, consequential impact, if any on the Ind AS financial statements cannot be quantified.

There is no excess /under billing during the year. Undisputed Liquidated damages are accounted for in the books of accounts as and when levied by the customer as per agreement.

4. As stated in Note no. 32 XXXV, the company has initiated a scheme of Associate Helicopter Pilots to retain and enhance its strength of pilots. 37 Pilots have joined under the scheme, out of which 32 Pilots were already working with the company as regular/ contractual Pilots. Implementation of aforesaid scheme has lead to enhanced liabilities and additional costs being borne by the company, amount whereof cannot be quantified. Further, we have observed mismatch in requirement of pilots for various type of serviceable helicopters vis-a-vis strength of pilots for respective type.

PHL needs qualified and experienced Pilots to carry out the helicopter operations. As per DGCA regulations, the Pilots need to be on-type qualified with specific experience in terms of flying hours. As per the present operational fleet for 37 helicopters and considering the new acquisition of leased helicopters, the company needs about 163 Pilots against which present strength is 126. Therefore, there is an acute shortage of Pilots for which the company needs to adopt suitable strategy for retention and attraction of qualified and experienced Pilots.

In the past MOCA directed to put-up proposal for Revision of Pay & allowances of licensed categories of employees like Pilots & AMEs in line with industry standard for obtaining Cabinet approval. Accordingly after due negotiation with the Organized Bodies of Pilots & AMEs and market survey and on recommendation by an appointed Sub-Committee of Board, a proposal was put-up to MOCA for revising the license related allowances for Pilots, Flight Engineers and AMEs at par with industry standard after obtaining Cabinet approval. However the matter is still under consideration of MOCA. Meanwhile MOCA vide their letter no.AV-30020/386/2015-GA-MOCA dt.3/5/2019 requested to work out the package as discussed in the meeting chaired by Secretary, Ministry of Civil Aviation on 23/4/2019 and to submit to the Ministry.

	Accordingly, keeping in view the CTC of regular Pilots in PHL and the prevailing emoluments package in private helicopter companies, a suitable package was worked out and it was decided to create a new vertical to recruit type-rated Pilots on different terms and conditions including pay packages and they have been classified as Associate Pilots. It may be noted that during the period from 2017 to 2019, there was attrition of about 41 pilots who either resigned or did not renew their contract. Whereas, after introduction of Associate Pilot Scheme, 44 internal Pilots have opted for the scheme and about 13 Pilots have joined from outside and there has been attrition of only 01 pilot since introduction of the scheme and there has been a considerable savings on account of AOG/LD with the customer. As compared to the existing CTC of regular Pilots at E4 and E-6 level, flying in offshore, Mumbai with average 45 hrs of flying which is about Rs.3.63 lacs and Rs Rs.4.57 lacs respectively and the CTC of Associate Pilot at E4 and E-6 level also comes to Rs.4.70 lacs and Rs 4.72 lacs respectively. As such the scope of attracting type-rated Pilots from outside market has become substantial so as to enable the Company built up its strength and to participate in future business prepositions having sufficient strength of Pilots in the Roll of the Company. Therefore, it may be appreciated that there is no enhanced liability on introduction of this scheme.
5.As stated in Note No. 32 XXVIII (c), the company has not worked out operating cycle for classification of assets & liabilities into Current & Non- current, as required by Schedule III of the Companies Act, 2013 but has assumed it to be 12 months	The Company has adopted normal operating cycle of 12 months as per Schedule III of Companies Act, 2013.
6. As stated in note no. 32 XXVIII, the company has identified dues as on March 31, 2020 to Micro and Small enterprises only in respect of Corporate Office. Confirmations were sought from the suppliers regarding applicability of provisions of 'The Micro, Small and Medium Enterprises Development Act, 2006', but response received was limited. Therefore, we are unable to comment on compliance of the aforesaid Act by the Company	Payments are made within the schedule as per terms of contract agreement however, on the matter of obtaining dues confirmation, a system of quarterly confirmation would be ensured instead of having a limited response at the year end. It is further stated that all helicopters owned by PHL are foreign made and as no items are available locally due to proprietary of spares and modules available only with the OEMs, the listed 358 items on MSEs as such do not meet Aviation Standards and regulatory requirements. However, such of the good and services which are beyond the domain of helicopters spares and modules are procured from the MSEs over the years and all efforts are made to achieve the target to the extent possible.
7.On our test check, we have observed that the company is yet to register itself under Professional tax for Aizwal & Gangtok bases and deduct and deposit Labour welfare fund for non executive & directly employed contractual employees working at Rohini Heliport & Guest House, at CWG Village.	Company is in process of getting registration under professional tax and Labour welfare fund. Noted for Compliance.

8.GST on 'Overweight charges' from September - October 2019 in respect of Kedarnath operations amounting to Rs. 0.34 lakhs has not been accounted for. This has resulted in increase in Miscellaneous Income, increase in GST input by Rs. 0.34 lakhs and decrease in Loss from Continued Operations for the year by the aforesaid amount.	As on date no GST liability is pending on overweight charges.
9. As stated in Note no. 32 X, management is in the process of reconciling figures of Services rendered and services availed/purchases made incorporated in the respective returns i.e. GSTR-1, GSTR-3B, GSTR-7 with those appearing in the book of accounts and services availed/purchases shown in GSTR-2A with books of accounts. Further, the company is in the process of adding additional places of business i.e. Rohini Heliport, Guesthouse in CWG village at Delhi & Guesthouse in Guwahati in respective GST Registration. Pending reconciliation and non addition of additional place of business, consequential impact, if any on the Ind AS financial statements cannot be quantified.	Reconciliation of GST is under progress. Noted for compliance.
10. As per provisions of 'The Building and Other Construction Workers Welfare Cess Act, 1996' as principal employer, Company was required to deduct 1% labour cess aggregating to Rs. 52.70 lakhs excluding interest and penalty, if any from the contractors bill for works contract carried out at Rohini Heliport, New Delhi which was capitalized in the financial year 2016-17. The Company has neither deducted nor deposited labour cess with Union Territory of Delhi for aforesaid works contract. The amount has to be recovered from the contractor and deposited, however, the matter is subjudice. This is a continuing default.	In case of Rohini heliport amount payable on account of Labour welfare Cess is Rs.52.70 lakhs i.e.,1% of Rs.5269.70 Lakhs which was paid/payable to M/s. Dinesh Chandra R Agarwal Infracon Pvt. Ltd. In case of Rohini Heliport, Labour Cess amounting to Rs. 52.70 Lakhs is supposed to be paid by the contractor M/s DRAIPL . The same was part of the counter claims of the PHL in the recently concluded arbitrations proceedings with DRAIPL. PHL has received a favourable award on this issue. However, we have challenged the other unfavourable portions of the award in the Hon'ble High Court.
11. As stated in Note No. 2 B (vi), estimated useful life of Helicopters was increased from 20 years as stated in Schedule II of the companies Act, 2013 to 35 years for Dauphin/Bell/Ecureuil fleet and 30 years for MI fleet, based on suggestion by internal technical committee leading to lower depreciation charge for the year with consequential impact on identification of onerous contract, loss from continued operations, deferred tax and reserves for the year. We have observed that in the past few years, Aircraft on ground (AOG) days, levy of Liquidated damages by clients has increased, revenue flying hours has decreased, and non availability/support of few avionics spares of Dauphin AS 365N due to obsolesence from the manufacturers/ OEM's has lead to permanent grounding of 5 Dauphin N helicopters which have been impaired during the year. As it is a technical matter, we have relied on the assessment of the technical committee.	The estimated useful life of the helicopters have been assessed by the internal technical committee. The life's of Bell & Airbus helicopters are indefinite. The Airbus helicopters have given an assurance to provide product support upto 30 to 35 years which has been the basis for giving the life as 30 to 35 years. In case of Mi-172 helicopters, the Russian Helicopter's has provided a definite life of 30 years and any further enhancement will be based as life extension programmes provided by them. Globally the helicopters are deployed on the basis of Air worthiness certificate issued by the Regulatory Authority of the concerned country. Thus, the only criteria for determining useful life of a helicopter are the valid Airworthiness Certificate issued by DGCA (Regulatory Authority) with continued OEM spare support.

12.As stated in Note no. 32 VI d, the management is of the view that impairment testing of assets is not required, as the carrying value of its assets does not exceed its recoverable amount, however, value in use cannot be calculated for want of information i.e. future cash flows expected to be derived from the asset	The Company is of the opinion that since helicopters owned by the company are certified for airworthiness by DGCA on periodic/ annual basis & have earned revenue and as per OEM helicopter can fly till the spare parts are available for particular type of fleet.
13. As stated in Note no. 32 XV, Rohini heliport was capitalized during the financial year 2016-17 on provisional basis and the contractor had gone into arbitration. Arbitration award was pronounced on 3rd July, 2019, substantially allowing claims of claimant and partially allowing counter claims of the Company. Subsequently, the Company filed objections against the award with the Hon'ble High Court of Delhi, which has granted interim stay. As the matter is *sub-judice*, impact, if any on capitalization of Property, Plant & Equipment and consequential depreciation, cannot be quantified.	This is statement of fact. The award was pronounced on 3rd July'2019. The company has filed objections against the Award before Hon'ble Delhi High Court and has obtained interim stay against the Award. The same is explained in Notes to Accounts No.32 (XV).
14.As stated in Note No. 32 XVI, the Company had got contract for construction of Helicopter Training Academy cum Heliport at Hadapsar, Pune from the DGCA on deposit basis. The same was sub contracted to NBCC, which had handed over the building to the company in 2016. The company has no documents to certify handing over the stated building to DGCA. Neither has insurance has been taken for the building nor any security guards deployed. In case of pilferage at/damage to the building, loss, if any will have to be borne by the company.15. As stated in Note no. 32 IX,	The infrastructure developed by PHL at Hadapsar is in the possession of DGCA since its completion. Only formal Handing over/ Taking over of the project could not be completed by PHL and DGCA earlier. However, the Handing Over/Taking Over has been completed on 20.11.2020. Moreover, the infrastructure created by PHL is within the premises of Gliding centre Hadapsar, Pune which is well under the control and security of DGCA and as such any theft or pilferage is not expected.
15. As stated in Note no. 32 IX, Balance confirmations were circulated to parties covered under the head Trade receivables, Trade payables, Long term and short-term liabilities, Other Current liabilities, Long term and Short term Loan & Advances and deposits but response received was minimal. Pending confirmation and reconciliation, consequential impact on the Ind AS financial statements cannot be quantified.	Balance confirmation letters sent at the year end to our trade receivable / payable with intimation that their response/confirmation should be directly sent to statutory auditor.
16. During the year under audit, we have observed gaps in internal control in Internal Financial Controls over Financial reporting annexed to our report. Hence, internal audit needs to be strengthened and scope enhanced to ensure in-depth verification of functional departments other than Finance specifically Operations, Marketing, Legal and Human Resources etc to make it commensurate with the size and nature of operations of the company.	Internal Audit is being strengthened with addition of manpower by transferring staff from different departments.

Report on Other Legal and Regulatory Requirements

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

(b)Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, 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. The audit of the accounts of Corporate Office and Northern Region was carried out by us, whereas audit of Western Region was audited by the respective branch auditors. The report of the branch auditors has been considered by us while preparing our report. *However, we have observed that the Company is using an accounting package that is obsolete and needs to be upgraded/replaced to cater to its current requirements*;	We are in process of upgrading the accounting package.
(i) With respect to the other matters to be included in the Auditors' 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: (ii) The Company did not have any long-term contracts, which may lead to material foreseeable losses. The Company does not deal in derivative contracts. The auditors of Western Region have reported as under: The Company has not made any provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts	Company has not entered into derivative contract during the FY 2019-20.

Management's Replies to observations in Annexure 'A' to the Independent Auditor's Report to the members of Pawan Hans Ltd. on the Ind AS financial statements for the year ended March 31, 2020

Auditors' Comments	Management's Replies
i) a) In Western Region, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. In respect of Corporate Office, fixed assets register, as prescribed under the Act has been maintained, *however, few instances have been observed where situation of fixed assets has not been stated.* In Northern region*, the company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.*	The situation / Location of Fixed Asset is mentioned in the Fixed Assets Register.

b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner However, during the year under review, physical verification was carried out in Western Region only in respect of Computers. *Reconciliation between balance as per books and as per physical verification is still under progress. No physical verification was conducted at Northern Region & its bases including Westland fleet lying at Western Region. As per explanation provided to us, physical verification for Corporate Office and Eastern Region including its bases has been conducted during current financial year and reconciliation between balance as per books and as per physical verification is still under progress. In our opinion, this periodicity of physical verification by the management needs to be strengthened, as helicopter, its major Property, Plant & Equipment including spare engines should be verified on an annual basis* having regard to the size of the Company and the nature of its assets.

The company is conducting physical verification of Helicopters, Rotables, Repairables including Inventory on regularly on annual basis. Further Physical verification of general fixed assets in Western Region and Northern Region is in progress & in case of Corporate office & Eastern region reconciliation between physical verification report and fixed assets register is in progress. Differences between book and physical balances have been traced and sent to respective departments for completion of reconciliation process.

Further, rotables and repairable of gross value of Rs. 7,846.78 lakhs were sent for repairs and were lying with foreign OEMs as at the year-end. The company has been unable to obtain confirmation from OEMs for holding rotables on behalf of the Company.

Rotables and Repairable with gross cost of Rs.7846.78 Lakhs and WDV of Rs. 4751.91 Lakhs are lying with foreign equipment suppliers for repairs as at 31.03.2020. Out of these, Rotables with gross cost of Rs. 1559.54 Lakhs and WDV of Rs 1082.94 Lakhs have been received back after 31st March, 2020. Confirmation from concerned parties for remaining Rotables which are still lying with them has been obtained except rotables having gross cost of Rs.404.39 Lakhs and WDV of Rs.145.91 Lakhs lying abroad. Efforts are being made to receive the items duly repaired / overhauled by the Original Equipments Manufacturers (OEM).

ii. According to the information and explanations given to us, *except for inventory is lying with third parties*, Northern Region has conducted physical verification of inventory during the year under review and no material discrepancies were noticed on such verification. In the case of Western Region, inventory has been physically verified by the management at the close of the year and no material discrepancies were noticed on such verification. However, some of the items of inventories were physically verified after the year due to lockdown issues. In case of stock of stores and spares at the detachments, issuances are made from regional headquarters and at the year end, the closing stock of stores and spares at detachments is recorded based on physical verification reports submitted by respective detachments, hence, *control exercised is limited as manual stock records are maintained at detachments.*

The manual stock register of inventory is being maintained at all detachments. Further, the Base Managers have been instructed to update the inventory register on continuous basis.

vii)a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, value added taxes, Goods & services tax, cess and other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise.

In case of western region, The Company had purchased 6 nos. of residential flats in May 1998 for the employees from MHADA, Mumbai and though the possession was taken based on the letter of allotment, the Company has on provisional basis provided stamp duty and registration and is subject to final payment on the execution of the appropriate conveyance deed in favour of the society. Some of the societies have gone in litigation against MHADA in Mumbai High Court on the issue of differential pricing. However, the amount of stamp duty and registration cannot be determined at this stage.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, goods & services tax, value added tax and other statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable *except stamp duty amounting to Rs. 13.81 lakhs which has not been paid till date.*

x) According to the 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 course of our audit, *except an instance of advance payment of USD 2,65,320 to purported bank account of M/s Klimov JSC, Russia towards repair of Mi-172 engines in the financial year 2015-16, against which the Ministry of Civil Aviation has lodged a formal complaint during the year with the Economic Offences Branch III of Central Bureau of Investigation*

The company has disclosed it in Notes to Accounts No.32(XXI)(c).

Auditors' Comments

Qualified Opinion

According to the information and explanations given to us and based on our audit, *the Company does not have documentation of comprehensive model for streamlining internal control including internal control over financial reporting incorporating RCM and gap tracking with a description of the objective, process and risk thereof. On our test check and review of adequacy and effectiveness of system of controls in place, gaps have been identified both in adequacy of design and effectiveness in areas of Fixed Assets Management, Materials Management, Bidding process, Accounting of Revenue, Statutory Compliances, Human Resources Management, Operations and Information Technology General Controls. Also, at bases, consolidated entries of expenses are made i.e. there is delay in accounting of expenses due to which liability of statutory dues like TDS and GST is impacted. We have also observed few instances of cash payments exceeding Rs. 10,000. Delayed/non-reconciliation of cash collected from ticket sales has been observed for RCS operations and Shree Kedarnath Yatra 2019. Due to older version of IT software, it cannot generate GST Returns and financials as per Ind AS, which has to be prepared manually. Few instances have been observed where, DOP has been breached and approval of competent authority was not obtained or obtained post facto. On our test check, we also observed few instances of under/over invoicing and non confirmation and reconciliation of balance of major Trade Receivables and creditors, offline/manual note sheets circulated/ approved circumventing e-file system of approval, which is in vogue. As there is freeze on recruitment, company has employed contractual employees and consultants regularly over a considerable period of time. Internal control on legal cases and quantification of contingent liabilities needs to be strengthened. Further, as reported in note no. XXI, few instances of fraud on the company have been detected in previous years which warrants detailed analysis to identify root cause, so that such instances can be eliminated or minimised. Conflict of interests in respect of few employees and non-rotation of key employees can abet fraud. We have also observed, lack of succession planning, non-standardisation of contracts of customers, rotables lying with foreign OEMs for more than 1 year, balances outstanding to/ from parties for more than*

Management's Replies

The company has in place Delegation of Authority Matrix, Material Manual, HR Manual, Accounts Manual. There is compliance with DGCA rules and regulations besides being subject to Internal Audit, Vigilance Oversight and CAG audit other than the statutory audit Companies' act. Further there is effective system of documentation, review and supervision of transactions. Control exists at transactions level, collation/aggregation level and presentation/reporting level. Fixed Asset Management, Procurement Process, Accounting for Revenue, Statutory Compliances, Treasury Management, Human Resource Management and Information Technology control exists and are functioning.

Liability of TDS, GST, Service tax have always been met diligently by the company. We are in process of updating our TCS software so that all GST related reports can be generated from system itself.

In one instance only cash was paid for freight/ courier charges above Rs. 10000/- only at Gadchiroli base. As per Income tax laws payment more than Rs 10,000 is allowed in remote areas. As tickets sale at base of RCS operation and Shree Kedarnath ji Yatra 2019 amount deposit in bank account at base same also booked and reconciliation also commercial deptt. otherwise on line booking amount directly credit into account.

There is a full- fledged HR department in PHL and in all the regions, HR department is functioning professionally. However due to the decision of Govt. of India for disinvestment of PHL in October 2016, the vacant positions in HR deptt. could not be filled up due to the restriction imposed by MoCA. However, the deptt. has been functioning successfully and its effectiveness can be assessed from the following performance indicators :

i) All recruitment actions have been completed within due time in all strategic areas.

ii) The attrition rate in all categories of employees including the licence categories of employees like Pilots, AME and Technicians are negligible.

iii) There has been nil loss of man-hours and no industrial unrest, and the Industrial relations have been very cordial.

iv) All disciplinary matters have been duly closed

3 years, non reconciliation of flying hours per pilot with overall flying and billing hours. MIS system needs to be strengthened.

In our opinion, except for the effects/possible effects of the material weakness/es described above on the achievement of the objectives of the control criteria, the Company has maintained 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 of March 31, 2020, 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.

except two cases which are in advance stage of closing.

v) All Statutory compliance and compliance of DPE guidelines has been made without any violation.

vi) There are few pending registered Employee Grievances

MoCA imposed freeze on recruitment on 17th November 1998 with a direction that there should be a freeze on further recruitment except on unavoidable and essential post which may be filled up with the approval of Board. Therefore, in compliance to the order of MoCA, action has been taken only to recruit essential post as per the emergent operational requirement of the Company. At the time of imposing freeze, PHL had about 30 helicopters and 773 employees and on acquisition of more helicopters due care has been taken to recruit essential man-power either on regular basis or on contractual basis keeping in view the operational requirement and fluctuating nature of contract of helicopters with various customers.

There are only 9 Consultants, out of which two are for PHTI and 3 are in Safety in order to meet the DGCA requirement and due to non availability of regular employees. 2 Consultants in Marketing and Materials have been appointed on short term and specific assignment basis, and two consultants are appointed in Operations deptt. as a strategic decision in order to avoid engagement of qualified pilots in the Managerial position due to shortage of Line Pilots. Succession planning is being made periodically keeping in view the retirement of key functionaries. However due to decision of GOI for disinvestment of PHL in 2016, no recruitment action has been taken and the succession planning is impracticable.

The inadequacies in design & effectiveness in the procurement process is being reviewed. We had hired the services of a Sr. Consultant from HAL (Retired GM Logistics) & he was given the task of updating/ amending the Manual. He has submitted his report (Draft of the Amended Manual) & presently an Internal committee has been constituted for vetting the same. Subsequently, this would be circulated & put up for final approval of the Board. We hope to address all such shortcomings during this process.

For and on behalf of the Board
Sd/-
(Sanjeev Razdan)
CMD

Date : 29th December, 2020
Place : Noida

Annexure-D

COMMENT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF PAWAN HANS LIMITED FOR THE YEAR ENDED 31 MARCH 2020.

The preparation of financial statements of **PAWAN HANS LIMITED** for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the Company. The Statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion of the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 14 October 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **PAWAN HANS LIMITED** for the year ended 31 March 2020 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matter under section 143 (6) (b) of the Act which has come to my attention and which in my view is necessary for enabling a better understanding of the financial statements and the related audit report.

A. Comment on Auditors' Report
Independent Auditor's Report

Qualifications listed by Statutory Auditor in his Independent Auditor's Report were reported under 'Qualified Opinion' para instead of 'Basis for Qualified Opinion' which is not as per format prescribed under Standard on Auditing 700 (Revised), relating to forming an opinion and reporting on financial statements. Hence, the Independent Auditors' Report is deficient to that extent.

For on behalf of the
Comptroller and Auditor General of India

Sd/-
(Rina Akoijam)
Principal Director of Audit (Infrastructure)
New Delhi

Place : New Delhi
Date : 28th December, 2020

Management's Reply to the Comments of C&AG on the Financial Statement of the Company for the year 2019-20

Significant Matter	Management's Reply
A. Comment on Auditors' Report **Independent Auditor's Report** Qualifications listed by Statutory Auditor in his Independent Auditor's Report were reported under 'Qualified Opinion' para instead of 'Basis for Qualified Opinion' which is not as per format prescribed under Standard on Auditing 700 (Revised), relating to forming an opinion and reporting on financial statements. Hence, the Independent Auditors' Report is deficient to that extent.	Statutory Auditors have reviewed the Observation of C&AG and regretted inadvertent placement of Audit Qualifications under 'Qualified Opinion' para instead of 'Basis for Qualified Opinion' para. However, it does not have any impact either on the financial position, profitability of the company for the year or on their audit qualifications.

For & on behalf of the
Board of Directors

Sd/-
(Sanjeev Razdan)
Chairman & Managing Director

Dated : 29th December, 2020
Place : Noida

Annexure-E

VAP & ASSOCIATES
Company Secretaries

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SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Pawan Hans Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pawan Hans Limited (CIN U62200UP1985GOI129953) (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

A. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

B. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(Not Applicable to the Company during the Audit period)**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; (Not **Applicable to the Company during the Audit period);**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the Audit period);**

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **(Not Applicable to the Company during the Audit Period)**

(vi) Having regard to the compliance system prevailing in the Company, on the basis of presentation and Reports made by Internal Auditors of the Company and the certificates received from the various Department by the Company Secretary Department, we report that the Company has generally complied with the provisions of those Acts that are applicable to company including Department of Public Enterprises (DPE) Guidelines on Corporate Governance, The Aircraft Act, 1934 and The Aircraft Rules, 1937, etc., to the extent of their applicability to company. The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

C. We have also examined compliance with the applicable clauses of the following:

I. Secretarial Standards with regard to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

II. Listing Agreements entered into by the Company with Stock Exchange(s). (Not applicable to the Company during the audit period).

D. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

a) As per Section 149 read with Companies (Appointment and Qualification of Directors) Rules, 2014 the Company shall have at least two independent directors, however, there is only one independent Director on the Board of the Company w.e.f. 24.01.2020 till date.

b) As per information and documents provided to us, position of Chief Financial Officer (CFO) of the Company was vacant since 1st December, 2018 till 12th January, 2020. Appointment of CFO was done w.e.f. 13th January, 2020.

c) The Company does not have the approved the Risk Management Policy, however the Company is in process of formulating the same.

d) As per the records of the Company, in some instances, the Company has filed the forms and returns under the Companies Act, 2013 and rules made there under with additional fee.

e) Related to the DPE Guidelines:

- As per the DPE Guidelines, not more than four months shall elapse between two meetings, however, the time gap between Audit Committee Meetings dated 28.12.2018 and 15.07.2019 is exceeding 4 (Four) months.

- As per the DPE Guidelines, at least one-third of the Board Members should be Independent Directors, two-thirds of the members of audit committee shall be Independent Directors and the number of Nominee Directors appointed by the Government shall be restricted to a maximum of two.

We further report that

I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

II. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, however, in some cases Notice and agenda papers were sent with shorter notice with the consent of the Board and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

III. All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company had the following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.:

a) Regional Director has issued order for shifting of Registered Office of the Company from the "State of Delhi" to the "State of Uttar Pradesh". Registrar of Companies, Kanpur issued Certificate for Registration of Regional Director order for Change of State on 26.06.2020.

Note:

a) This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

b) Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct.

For VAP & Associates
Company Secretaries
FRN: S2014UP280200

sd/-
Parul Jain
Proprietor
M. No. F8323
CP No. 13901
UDIN: F008323B000953344

Place: Ghaziabad
Date: 14-10-2020

Annexure – 'A'

To

The Members,

Pawan Hans Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial record. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have relied on the Internal Auditor's Report for the period under review; hence we have verified the correctness and appropriateness of Statutory/ Legal Compliances on sample basis.

4. We have relied on the Statutory Auditors Report for the period under review; hence we have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. The qualifications/observations mentioned in their report are also forming part of this report.

5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.

6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

7. During the course of our examination of the books and records of the Company carried out in accordance with generally accepted practices in India, we have neither come across any instance of fraud on or by the Company, nor the Company has noticed and reported any such case during the year and accordingly the Company has not informed us of any such case.

For VAP & Associates
Company Secretaries
FRN: S2014UP280200

Sd/-
Parul Jain
Proprietor
M. No. F8323
CP No. 13901

Place: Ghaziabad
Date: 14-10-2020

Reply by the Board on observations made by the Secretarial Auditor in their Audit Report

Observation 1:

As per Section 149 read with Companies (Appointment and Qualification of Directors) Rules, 2014 the Company shall have at least two independent directors, however, there is only one independent Director on the Board of the Company w.e.f. 24.01.2020 till date.

Reply to Observation 1:

Appointment of Independent Directors of the Company is done by Ministry of Civil Aviation, the Administrative Ministry. Issue of appointment of one more of Independent Director will be taken up with the Ministry of Civil Aviation.

Observation 2:

As per information and documents provided to us, position of Chief Financial Officer (CFO) of the Company was vacant since 1st December, 2018 till 12th January, 2020. Appointment of CFO was done w.e.f. 13th January, 2020.

Reply to Observation 2:

This is a statement of fact. Despite of efforts the Company could not fill up the vacancy of CFO prior to 13th January, 2020.

Observation 3:

The Company does not have the approved the Risk Management Policy, however the Company is in process of formulating the same.

Reply to Observation 3:

Noted. The Company will formulate the Risk Management Policy soon.

Observation 4:

As per the records of the Company, in some instances, the Company has filed the forms and returns under the Companies Act, 2013 and rules made there under with additional fee.

Reply to Observation 4:

Noted. Efforts will be made to ensure filing of forms in time.

Observation 5

As per the DPE Guidelines, not more than four months shall elapse between two meetings, however, the time gap between Audit Committee Meetings dated 28.12.2018 and 15.07.2019 is exceeding 4 (Four) months.

Reply to Observation 5

Noted. As there was no business to transact, so the Audit Committee meeting was not held within four months. For other audit committee meetings, this compliance has been ensured and in future also this will be complied.

Observation 6

As per the DPE Guidelines, at least one-third of the Board Members should be Independent Directors, two-thirds of the members of audit committee shall be Independent Directors and the number of Nominee Directors appointed by the Government shall be restricted to a maximum of two.

Reply to Observation 6

The Board of Directors of the Company is constituted by the Administrative Ministry i.e. the Ministry of Civil Aviation. Issue of proper composition of the Board of Directors as per DPE Guidelines will be taken up with the Ministry of Civil Aviation.

For and on behalf of the Board

Sd/-
(Sanjeev Razdan)
Chairman & Managing Director

Date: 29th December, 2020
Place : Noida

ANNEXURE-'F' TO THE BOARD'S REPORT
FORM NO. AOC -2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sl. No.	(a) Name(s) of the related party and nature of relationship		(b) Nature of contracts/ arrangements/ transactions	(c) Duration of the contracts/arrangements/ transactions	(d) Salient terms of the contracts or		(e) Date(s) of approval by the Board, if any.	(f) Amount paid as advances, if any.	(g) Amount paid as advances, if any.	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
	Name	Relationship			Salient terms	Transaction value (Rs. In million)				
NIL										

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No.	(a) Name(s) of the related party and nature of relationship		(b) Nature of contracts/arrangements/ transactions	(c) Duration of the contracts/arrangements/ transactions	(d) Salient terms of the contracts or		(e) Date(s) of approval by the Board, if any.	(f) Amount paid as advances, if any.
	Name	Relationship			Salient terms	Transaction value (Rs. In Lakhs)		
1	Oil & Natural Gas Corporation Ltd.	Associates	Providing helicopter services	For F.Y 2019-20	Contract through ICB	10666.90		
2	Oil & Natural Gas Corporation Ltd.	Associates	FE Loss & Gain on Providing services	For F.Y 2019-20	Actual	75.72		
3	Oil & Natural Gas Corporation Ltd.	Associates	Deduction of LD on delay in providing helicopters	For F.Y 2019-20	Actual	1767.93		

Annexure-G

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT:2019-20

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Corporate Social Responsibility (CSR) and Sustainable Development (SD) Policy of PHL approved by the Board of PHL in its 158th Meeting held on 2nd May,2017 is in consonance with the CSR Policy framework enshrined in the secion-135 of Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014 notified by Ministry of Corporate Affairs, Government of India and Guidelines on Corporate Social Responsibility (CSR) and Sustainability for Central Public Sector Enterprises issued by Department of Public Enterprises, Government of India (DPE Guidelines, 2014).

It shall apply to all CSR Project/Programmes undertaken by PHL as per liberal interpretation of activities listed in Schedule-VII of the Act, within the geographical limits of the India alone, preferably towards the benefits of marginalized, disadvantaged, poor and deprived sections of the community and the environment.

As per the policy, projects/programs are identified and budgets allocated for them through a process incorporating identification of suitable implementation agencies, need assessment and clear outlining of desired outcomes. The CSR projects/programs, which will, as far as possible, entail the following components:

i. Need Based Assessment/Baseline survey/Study where considered necessary/feasible;

ii. Identification of specific and measurable objects/goals in identified sectors and geographies;

iii. Formation of the project and preparation of Detailed Project Report (DPR);

iv. Identification of time lines – clear specification of start date and end date;

v. Specification of annual financial allocation;

vi. Clear identification of beneficiaries (by name where possible)

vii. Clear identification milestones for the complete duration of the Project/programme;

viii. Preparation and signing of agreement with Implementation Agencies;

ix. Preparation and implementation of a comprehensive an concurrent documentation procedure;

x. Robust, periodic review & monitoring;

xi. Mandatory Reporting

The focus areas and budget allocation for individual CSR Projects/Programmes/activities are made initially by the 1st level (Junior) and further proposed by 2nd level (Senior) Committee on CSR and SD, based on the proposals received from various Government Departments including PSUs and non-Government/Private agencies.

The website of PHL, www.pawanhans.co.in, has the link to the CSR and SD activities with reference to other documents such as Government Gazette notifications of 28.02.2014, 06.08.2014, 24.10.2014 and 23.05.2016, DPE O&M dated 21.10.2014, Ministry of Corporate

Affairs General Circular No. 21/2014 dated 28.06.2014, 01/2016 dated 12.01.2016, 05/2016 dated 16.05.2016 and DPE OM No.CSR-08/002/2018-Dir(CSR) dated 10.12.2018.

2. The Composition of the CSR Committee.

The CSR Committee of the Board of PHL comprises of following Members:

i) Air Marshal Prashant Purushotam Khandekar AVSM (Retd.), Independent Director-Chairman.

ii) Shri Vimalendra Anand Patwardhan, Joint Secretary and Financial Advisor, MoCA- & Director, PHL- Member

iii) AVM S.K. Indoria, Director (OPS&TPT) IAF & Director, PHL- Member

3. Average net profit of the company for last three financial years.

No average net profits to the Company during the last three financial years are as per details hereunder:

(Rupees in Lakhs)

Particulars	2016-17	2017-18	2018-19
Profit as per Sec 198	(-) 245.00	1208.45	(-)8582.73
Average profit u/s 135 for the last three years	(-)2539.76 (7619.28 / 3)		

4. Prescribed CSR Expenditure (two per cent of the amount as in items 3 above).

No CSR expenditure has been prescribed for the financial year 2019-20 as average profit u/s 135 for the last three years is negative in view of status at table 3 above.

5. Details of CSR spent during the financial year.

Due to negative average profit for the last three years, no amount was spent on CSR activities during the financial year 2019-20.

(a) Total amount to be spent for the financial year – NIL

(b) Amount unspent, if any – Not applicable.

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not applicable as the Company was not required to spend any amount on CSR activities during the financial year 2019-20.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the company.

This is to certify that the implementation and monitoring of the CSR Policy in respect of all previous projects/programs is in compliance with CSR objectives and Policy of the Company.

Sd/-
Sanjeev Razdan
Chairman & Managing Director, PHL
DIN-08711596

Sd/-
Air Marshal P.P. Khandekar, AVSM (Retd.)
Chairman, CSR Committee of PHL
DIN-02948012

Annexure-H

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.3.2020
[Pursuant to section 92(3) *of the Companies Act, 2013* **and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

I. REGISTRATION AND OTHER DETAILS:

i) CIN:- U62200UP1985GOI129953

ii) Registration Date : 15.10.1985

iii) Name of the Company : Pawan Hans Limited

iv) Category / Sub-Category of the Company : Air Transport – Services of Passengers

v) Address of the Registered office and contact details : **C-14, Sector-1, Noida-201301, Uttar Pradesh, Email: co.secy@pawanhans.co.in**

vi) Whether listed company **No**

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: **NA**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Domestic non scheduled air transport services of passengers	99462420	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-N.A.

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF									
b) Central Govt	-								
c) State Govt (s)		284316	284316	51%		284316	284316	51%	NIL
d) Bodies Corp.	-	-							-
e) Banks / FI		273166	273166	49%		273166	273166	49%	NIL
f) Any Other….	-								

Total shareholding of Promoter (A)		557482	557482	100%		557482	557482	100%	
B. Public Shareholding			NIL	NIL				NIL	NIL
C. Shares held by Custodian for GDRs & ADRs		NIL					NIL	NIL	
Grand Total (A+B+C)	-	557482	557482	100%	-	557482	557482	100%	-

(ii) Shareholding of Promoters

Sl No.	**Shareholder's Name**	**Shareholding at the beginning of the year**			**Share holding at the end of the year**			
		No. of Shares	**% of total Shares of the company**	**%of Shares Pledged/ encumbered to total shares**	**No. of Shares**	**% of total Shares of the company**	**% of Shares Pledged/ encumbered to total shares**	**% change in share holding during the year**
1	President of India	284316	51%	NIL	284316	51%	-	-
2	ONGC Ltd.	273166	49%		273166	49%	-	-
	Total	**557482**	**100%**	**-**	**557482**	**100%**	**-**	**-**

(iii) Change in Promoters' Shareholding (please specify, if there is no change) **NIL**

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) **NIL**

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year and at the end of the year**	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Directors 1.Smt. Usha Padhee	1	-	1	- -

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs.in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	19.28	0	-	19.28
ii) Interest due but not paid	NIL	0	-	0
iii) Interest accrued but not due	NIL	NIL	-	-
Total (i+ii+iii)	**19.28**	**0**	**-**	**19.28**
Change in Indebtedness during the financial year				
· Addition	-	-	-	-
· Reduction	3.35	0	-	3.35
Net Change	3.35 9	0	-	3.35
Indebtedness at the end of the financial year				
i) Principal Amount	15.93	-	-	15.93
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**15.93**	**-**	**-**	**15.93**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (Rs.)
1.		Mrs. Usha Padhee, CMD, Upto 17.2.2020) (Rs.)			
i.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				- -
ii.	Stock Option	-	-	-	-

iii.	Sweat Equity	-	-	-	-
iv.	Commission - as % of profit - others, specify…	-	-	-	-
v.	Others, please specify	-	-	-	-
	Total (A)			-	-
	Ceiling as per the Act	NA	NA		NA

2.		Sh.Sanjeev Razdan, CMD w.e.f. 17.2.2020 (Rs.) in Lakhs			
i.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	4.24 0.84 -			- - -
ii.	Stock Option	-	-	-	-
iii.	Sweat Equity	-	-	-	-
iv.	Commission - as % of profit - others, specify…	-	-	-	-
v.	Others, please specify	-	-	-	-
	Total (A)	5.08		-	-
	Ceiling as per the Act	NA	NA		NA

B. Remuneration to other directors: Rs.3,70,000/-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Sh.R.S. Chauhan, Company Secretary (Rs.) in Lakhs	Shri Ashish Kumar Yadav,CFO (w.e.f. 13.01.2020) (Rs.) in Lakhs	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	 -	20.47 1.71 -	5.84 0.28 -	26.31 1.99 -

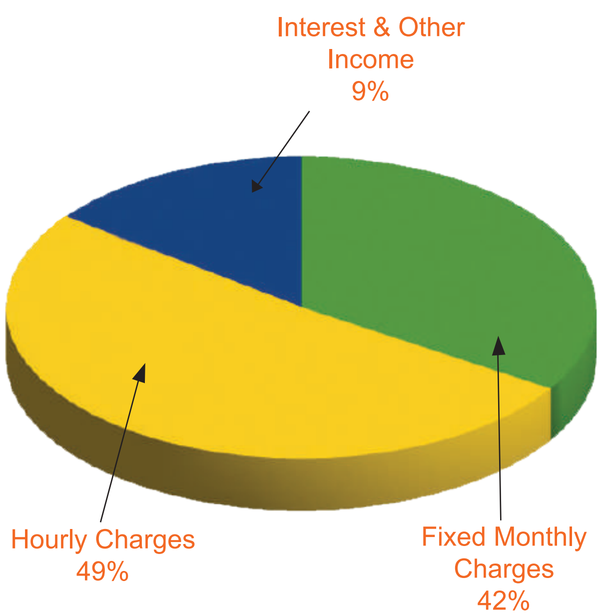
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total		22.18	6.12	28.30

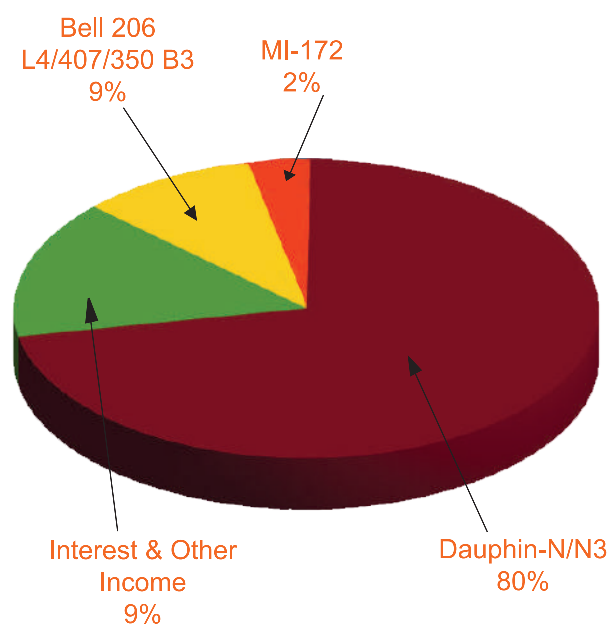
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

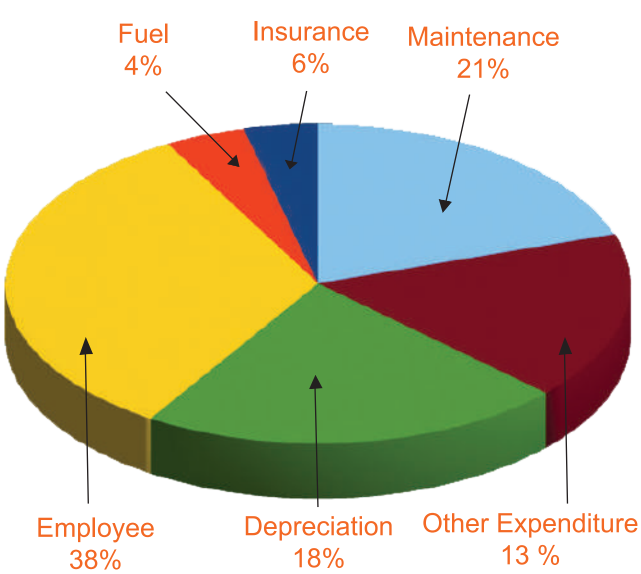
FINANCIAL HIGHLIGHTS
For 2019-20

Source of Income

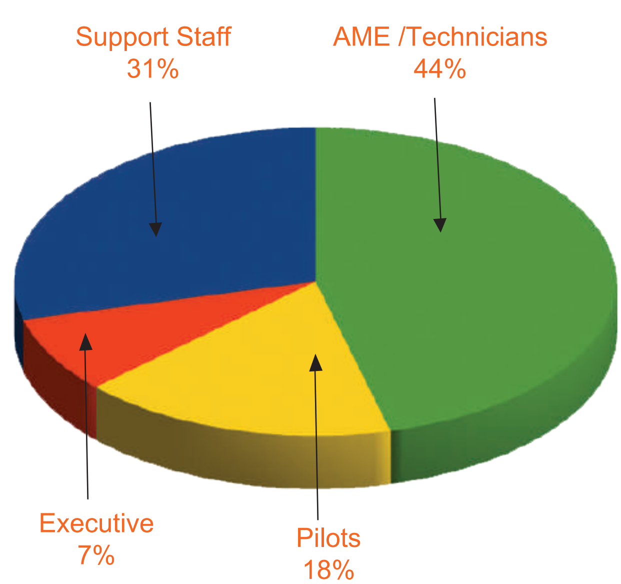




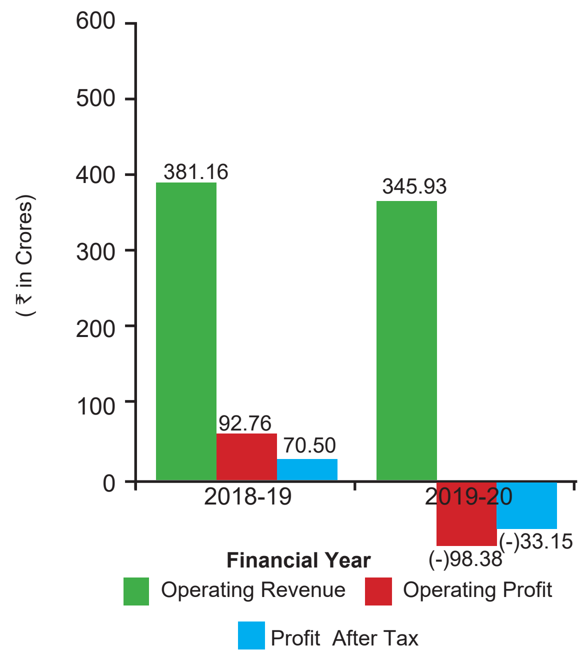
Cost Structure



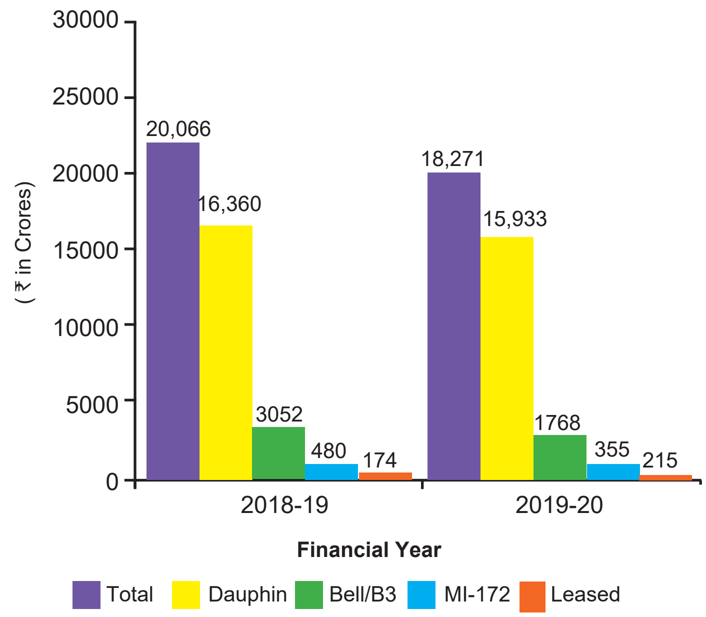
Manpower Profile



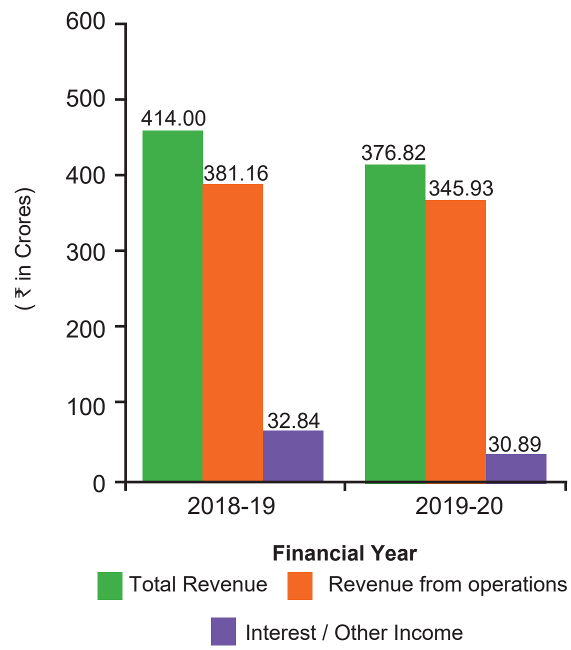
Revenue from Operations, Operating Profit and Net Profit



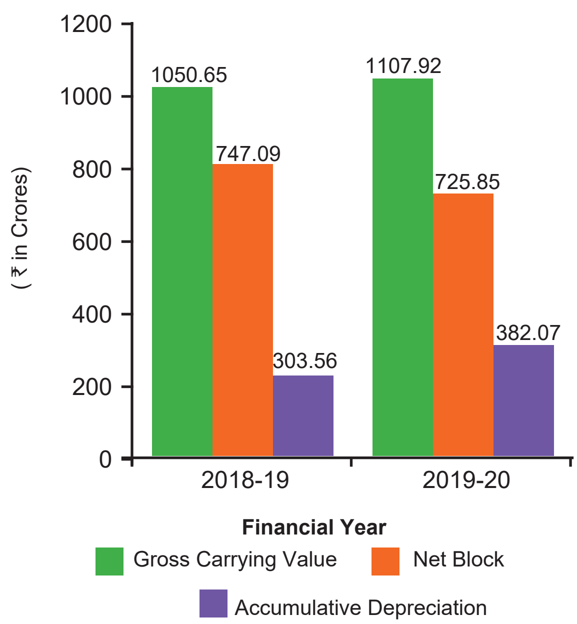
Revenue Flying Hours



Revenue



Property Plant and Equipment



Pawan Hans Limited
Summarised Accounts 2015-16 to 2019-20

₹/crores

Particulars	Ratio	2019-20 (IndAs)	2018-19 (IndAs)	2017-18 (IndAs)	2016-17 (IndAs)	2015-16 (IndAs)
Resources						
Net Worth		97054.06	100370.64	108163.26	99269.95	59611.46
Non-Current Liabilities						
- Loan Funds- Secured Loans		739.86	604.67	569.54	2497.72	16125.21
- Other Long -term Liabilities		150.58	33.57	74.02	163.41	34072.41
- Long Term Provisions		3913.05	3470.57	3057.66	2854.91	2983.62
- Deferred Tax Liabilities		9328.91	17280.8	20245.73	21515.18	18266.28
Total		**111186.46**	**121760.25**	**132110.21**	**126301.17**	**131058.98**
Utilisation of Resources						
Fixed Asset		110791.91	105064.68	102733.52	101686.32	88747.63
Less: Depreciation		38207.39	30355.71	23321.20	15123.26	7060.03
Net Fixed Assets		**72584.52**	**74708.97**	**79412.32**	**86563.06**	**81687.60**
Capital Work in Progress		12.76	688.73	2158.57	677.30	5393.65
Long-Term Loans & Advances		519.41	539.54	600.17	601.71	609.42
Other Non-Current Assets		6719.38	7732.03	10380.48	9944.20	6336.58
Other Financial Assets		157.41	237.99	255.21	302.61	393.77
Net Working Capital		31306.22	38569.23	40656.47	28212.29	36637.96
		111299.70	122476.49	133463.22	126301.17	131058.98
Capital Employed		**103903.50**	**113966.93**	**122227.36**	**115452.65**	**123719.21**
Earnings						
Revenue from Operations		34593.16	38115.58	39540.74	42763.93	45324.55
Interest /Other income		3088.80	3284.00	6260.80	8009.12	3842.44
Total		**37681.96**	**41399.58**	**45801.54**	**50773.05**	**49166.99**
Outgoings						
Helicopter Operational & Maintenance Expenses		14771.58	16646.07	11846.79	13132.58	11708.17
Employee Benefits Expenses		18016.27	17190.1	17375.7	15444.99	15168.50
Financial Costs		284.61	141.62	201.17	203.51	450.13
Depreciation and Amortization Expenses		8741.76	7583.57	8479.05	8082.5	7214.75
Other Expenses		5705.90	9113.78	6725.77	10216.92	5004.70
Total		**47520.12**	**50675.14**	**44628.48**	**47080.50**	**39546.25**
Profit for the year before Extraordinary		(9,838.16)	(9,275.56)	1173.06	3692.55	9620.74
Exceptional Items		-		-	33931.19	-
Profit before tax		**(9,838.16)**	**(9,275.56)**	**1173.06**	**37623.74**	**9620.74**
Prov.for Taxation		-	-	3350.32	8943.02	1405.00
Less: MAT Credit Availed		-	-	(2,784.06)	-	-
Prov. For tax Previous Yrs		191.21	(10.26)	(3.98)	42.10	-
Deferred Tax Liability		(7,721.26)	(2,906.31)	(1,318.71)	3245.82	2498.53
Other Comprehensive income		(506.73)	(129.27)	93.52	16.28	93.27
Profit/(Loss) from discountinued operation		(499.93)	(561.23)	-	-	-
Net profit after tax		**(3,314.77)**	**(7,049.49)**	**2,023.01**	**25409.08**	**5810.48**
Significant Ratios						
a) Net profit Ratio	Net Profit/(Loss) ------------------- Total Revenue	-9.6%	-18.5%	5.1%	59.4%	12.8%
b) Return on Investment	Net Profit/(Loss) ------------------- Cap.Employed	-3.2%	-6.2%	1.7%	22.0%	4.7%
Return on Net Worth	Net Profit/(Loss) -------------------- Net Worth	-3.4%	-7.0%	1.9%	25.6%	9.7%
Debt Collection Pd.(months)	Operational debts ------------------------ Avg monthy Op.Rev.	5.79	5.31	4.46	5.39	6.26
Inventory Turnover (months)	Year & Inventory ------------------------ Avg monthy Op.Rev.	1.77	1.56	1.41	1.26	1.33
Current Ratio	C.A.:C.L	2.65	3.10	2.93	2.87	3.90
Debt Equit Ratio	Debts/Equity	0.01	0.01	0.01	0.10	0.66
	Debts/Net Worth	0.01	0.01	0.01	0.03	0.27

Independent Auditor's Report

To The Members of Pawan Hans Limited

Report on the Audit of the Ind AS Financial Statements

Qualified Opinion

1. *Non-adherence of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, as the Company has accounted for Allowance for Expected Credit Loss (ECL) in the current year aggregating to Rs. 4,643.38 lakhs, out of which Rs. 4,334.84 lakhs has been retrospectively restated in earlier years. Neither is it an omission from failure to use or misuse of reliable information nor mistake in applying accounting policies or oversight or misinterpretation of facts, but it is a change in accounting estimate, as the Company has always accounted for Provision for Doubtful debts in earlier years. Further, any change in accounting estimate has to be accounted for prospectively and cannot be accounted for retrospectively. This has resulted in decrease in Provision for Impairment of Trade Receivables by Rs. 4,334.84 lakhs, decrease in Opening Reserves & Surplus by Rs. 4,334.84 lakhs and decrease in Loss from Continued Operations for the year by the aforesaid amount.*

2. *Non-adherence of Ind AS 115 "Revenue from Contracts with Customers" regarding disclosure of movement of Trade Receivables during the year under review. As it is a disclosure requirement, it does not have any impact on the Ind AS financial statements.*

3. *Non adherence of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" as the Company does not have a defined system of cost centres nor does it compare actual vs. budgeted revenue for each customer contract, hence, onerous contracts and provision thereof, if any cannot be quantified.*

4. *Non-adherence of Ind AS 24 "Related Party Disclosures" as the management has not obtained list of relatives from KMPs & Board, we cannot confirm transactions, if any with such parties during the year. Impact, if any on Ind AS financial statements cannot be quantified.*

5. *During the year, Company has provided helicopters on charter business to a customer, estimated revenue for the period of flying was to be received in advance. Neither has the amount been received in advance nor approval from competent authority waiving receipt of advance has been provided to us. We have also observed excess billing in contravention of the agreement, which has been flagged by the customer and accepted by the Marketing Department. Amount due from the customer aggregating to Rs. 435.30 lakhs has neither been received subsequently nor any confirmation from the customer has been provided to us, hence, its impact on the Ind AS financial statements cannot be quantified.*

6. *During the year, NTPC helicopter was provided to a customer for charter business and credit @ 91.5% has been passed on to the former. As stated in point no. 5, the customer has disputed dues for days when the helicopter was on standby, which needs to be recovered from NTPC amounting to Rs. 46.45 lakhs. This has resulted in increase in Revenue by Rs. 4.32 lakhs and decrease in Loss from Continued Operations for the year by the aforesaid amount.*

7. *The company has accounted for Unbilled Revenue of Rs. 1,078.67 lakhs during the year in respect of a customer on account of foreign exchange fluctuations for the period 2015-2020, which was wrongly passed to the customer in contravention of the agreements. Aforesaid amounts has been billed subsequently, amount whereof has neither been received nor confirmed by the customer. Further, Allowance for Expected Credit Loss (ECL) on Contract Assets of*

Rs. 812.44 lakhs has been accounted for against unbilled revenue as at the year-end. This has resulted in increase in Revenue and Contract assets by Rs. 1,078.67 lakhs, increase in Allowance for Expected Credit Loss (ECL) on Contract Assets by Rs. 812.44 lakhs and decrease in Loss from Continued Operations for the year by Rs. 266.23 lakhs.

8. *Non-provision of Liquidated damages charged by one customer as confirmed by the Marketing department. Amount due from the customer is Rs. 572.02 lakhs as at the year-end, which has neither been received subsequently nor confirmed by the customer, hence, its impact on the Ind AS financial statements cannot be quantified.*

9. *We have observed extra billing of Rs. 40.80 lakhs to a customer for the month of May, in contravention of the provisions of the agreement, which required billing of actual flying hours or minimum guaranteed flying of 40 hours per helicopter per month, whichever is higher. However, same helicopter has been billed twice for minimum guaranteed flying of 40 hours each to the same customer for the same month. This has resulted in increase in Revenue by Rs. 40.80 lakhs, increase in Trade receivables by Rs. 48.14 lakhs and decrease in GST input by Rs. 7.34 lakhs and decrease in Loss from Continued Operations for the year by Rs. 40.80 lakhs.*

10. *We have observed short billing of Rs. 76.48 lakhs to a customer during the year, in contravention of the provisions of the Original & Supplementary agreements, which required billing of actual flying hours or minimum 160 hours and 120 hours for the period September, 2019 to December, 2019 and January, 2020 to March, 2020 respectively. As per management, both contracts has been clubbed to identify minimum guaranteed average flying of 40 hours per month for the period September, 2019 to March, 2020, however, approval from competent authority in lieu of the same has not been provided to us. This has resulted in decrease in Revenue & Contract Assets by Rs. 76.48 lakhs and increase in Loss from Continued Operations for the year by the aforesaid amount.*

11. *The company has got actuarial valuation of gratuity of its employees done by an actuary as at the year end, except for 16 contractual employees e.g. Base assistants, helpers etc. working at different bases of Northern Region and 37 Associate helicopter pilots hired by the company during the year. As information shared with the Actuary was incomplete, Provision for gratuity has been understated. Impact, if any, on the Ind AS financial statements cannot be quantified.*

12. *The company has followed component accounting since the date of transition i.e. April 1, 2015 for its Property, Plant & Equipment. The company has identified six major components of the helicopters namely Engine, Main Gear Box (MGB), Hub Assembly, Transmission Assembly, Embedded maintenance and Hull. Engines of Dauphin N & N3 fleet are depreciated on average flying hours instead of actual flying hours for the year. Further, cost of overhaul of Engines of Dauphin N & N3 fleet during the year has been capitalised as a single line item, without charging off balance of respective components to the Statement of Profit & Loss. As cost of Engines to be decapitalised has not been identified, hence, its impact on the Ind AS financial statements cannot be quantified.*

13. *The company while calculating depreciation as per component accounting has considered 'zero' flying hours on the date of transition i.e. April 1, 2015 for all identified components. However, such components were already in use from their respective date of capitalization. As explained to us, actual hours flown of each component on April 1, 2015 could not be identified, hence, its impact on the Ind AS financial statements cannot be quantified.*

14. *The company has used carrying value on the date of transition i.e. April 1, 2015 as deemed cost of Property, Plant and Equipment. The company has considered Embedded maintenance of Rs. 40 lakhs for each Dauphin N3 helicopter and Rs. 60 lakhs for each Dauphin N helicopter. Basis*

of such allocation could not be justified and hence, its impact on the Ind AS financial statements cannot be quantified.

15. *Reference is invited to Basis for Qualified Opinion paragraph, wherein clauses 2 to 5, 8, 11 to 14 either have no effect on the Ind AS financial statements or their impact cannot be quantified. Clause nos. 1,6,7, 9 & 10 will result in decrease in "Revenue" by Rs. 1,047.31 lakhs, increase in "Provision for Impairment of Trade Receivables" by Rs. 4,334.84 lakhs, decrease in Allowance for Expected Credit Loss (ECL) on Contract Assets by Rs. 812.44 lakhs, decrease in "Trade receivables" by Rs. 48.14 lakhs, increase in "GST input" by Rs. 7.34 lakhs, decrease in "Contract Assets" by Rs. 1,002.19 lakhs, increase in "Opening Reserves and Surplus" by Rs. 4,334.84 lakhs and increase in "Loss from continued operations" for the year by Rs. 4,569.71 lakhs with consequential impact on Deferred Tax and EPS for the year ended on March 31, 2020.*

We have audited the accompanying Ind AS financial statements of **Pawan Hans Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements") in which are included the returns for the year ended on that date audited by the Branch Auditor appointed by the Comptroller and Auditor General of India for the Western Region located at Mumbai.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion section of our report*, the aforesaid Ind AS financial statements gives the information required by the Act, in the manner so required and gives a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and the loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

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

Emphasis of Matter

1. During the year, the company has provided services to 4 customers aggregating to Rs. 802.57 lakhs without underlying signed contracts/ addendums/consent letters. In respect of another customer, services aggregating to Rs. 3,772 lakhs upto 2nd February 2020 were provided without underlying contract. The addendum was signed on 3rd February 2020 for the period 28th February 2018 to 31st March 2020.

2. Branch Auditor of Western Region have observed that during the year, Dauphin N3 was provided to a customer who had agreement for Dauphin N, resulting in loss of revenue to the tune of Rs. 643.90 lakhs. On our test check, we have observed that the company does not map customer contracts in hand vis a vis availability of serviceable helicopters of respective types for e.g. the company has contracts for 3 Bell 206L4, however, it has only 2 serviceable Bell 206L4 at its disposal, which will either

result in levy of liquidated damages or substituting it with a higher grade helicopter, if available.

3. As stated in Note no. 32 XXXII viii A, during the year, lifetime expected credit loss allowance has been accounted for by the company, based on certificate provided by the consultants. However, the Consultants have not considered factors like e.g. excess/under billing or liquidated damages deducted by the customers, but not accounted for by the company etc. as highlighted by us elsewhere in the report. Therefore, allowance for Expected credit loss accounted for by the company cannot be substantiated, consequential impact, if any on the Ind AS financial statements cannot be quantified.

4. As stated in Note no. 32 XXXV, the company has initiated a scheme of Associate Helicopter Pilots to retain and enhance its strength of pilots. 37 Pilots have joined under the scheme, out of which 32 Pilots were already working with the company as regular/ contractual employees. Implementation of aforesaid scheme has lead to increased cash outflow and additional costs being borne by the company, amount whereof cannot be quantified. The scheme as approved by the Board was implemented by the HR Department and we have not been provided with any documents to verify the same. Further, we have observed mismatch of pilots required for serviceable helicopters vis a vis strength of pilots for respective fleet.

5. As stated in Note No. 32 XXVIII (c), the company has not worked out operating cycle for classification of assets & liabilities into Current & Non- current, as required by Schedule III of the Companies Act, 2013 but has assumed it to be 12 months.

6. As stated in note no. 32 XXVIII, the company has identified dues as on March 31, 2020 to Micro and Small enterprises only in respect of Corporate Office. Confirmations were sought from the suppliers regarding applicability of provisions of 'The Micro, Small and Medium Enterprises Development Act, 2006', but response received was limited. Therefore, we are unable to comment on compliance of the aforesaid Act by the Company.

7. On our test check, we have observed that the company is yet to register itself under Professional tax for Aizwal & Gangtok bases and deduct and deposit Labour welfare fund for non executive & directly employed contractual employees working at Rohini Heliport & Guest House, at CWG Village.

8. GST on 'Overweight charges' from September - October 2019 in respect of Kedarnath operations amounting to Rs. 0.34 lakhs has not been accounted for. This has resulted in increase in Miscellaneous Income, increase in GST input by Rs. 0.34 lakhs and decrease in Loss from Continued Operations for the year by the aforesaid amount.

9. As stated in Note no. 32 X, management is in the process of reconciling figures of Services rendered and services availed/ purchases made incorporated in the respective returns i.e. GSTR-1, GSTR-3B, GSTR-7 with those appearing in the book of accounts and services availed/ purchases shown in GSTR-2A with books of accounts. Further, the company is in the process of adding additional places of business i.e. Rohini Heliport, Guesthouse in CWG village at Delhi & Guesthouse in Guwahati in respective GST Registration. Pending reconciliation and non addition of additional place of business, consequential impact, if any on the Ind AS financial statements cannot be quantified.

10. As per provisions of 'The Building and Other Construction Workers Welfare Cess Act, 1996' as principal employer, Company was required to deduct 1% labour cess aggregating to Rs. 52.70 lakhs excluding interest and penalty, if any from the contractors bill for works contract carried out at Rohini Heliport, New Delhi which was capitalized in the financial year 2016-17. The Company has neither deducted nor deposited labour cess with Union Territory of Delhi for aforesaid works contract. The amount has to be recovered from the

contractor and deposited, however, the matter is subjudice. This is a continuing default.

11. As stated in Note No. 2 B (vi), estimated useful life of Helicopters was increased from 20 years as stated in Schedule II of the Companies Act, 2013 to 35 years for Dauphin/Bell/Ecureuil fleet and 30 years for MI fleet, based on suggestion by internal technical committee leading to lower depreciation charge for the year with consequential impact on identification of onerous contract, loss from continued operations, deferred tax and reserves for the year. We have observed that in the past few years, Aircraft on ground (AOG) days, levy of Liquidated damages by clients has increased, revenue flying hours has decreased, and non availability/support of few avionics spares of Dauphin AS 365N due to obsolesence from the manufacturers/ OEM›s has lead to permanent grounding of 5 Dauphin N helicopters which have been impaired during the year. As it is a technical matter, we have relied on the assessment of the technical committee.

12. As stated in Note no. 32 VI d, the management is of the view that impairment testing of assets is not required, as the carrying value of its assets does not exceed its recoverable amount, however, value in use cannot be calculated for want of information i.e. future cash flows expected to be derived from the asset.

13. As stated in Note no. 32 XV, Rohini heliport was capitalized during the financial year 2016-17 on provisional basis and the contractor had gone into arbitration. Arbitration award was pronounced on 3rd July, 2019, substantially allowing claims of claimant and partially allowing counter claims of the Company. Subsequently, the Company filed objections against the award with the Hon'ble High Court of Delhi, which has granted interim stay. As the matter is subjudice, impact, if any on capitalization of Property, Plant & Equipment and consequential depreciation, cannot be quantified.

14. As stated in Note No. 32 XVI, the Company had got contract for construction of Helicopter Training Academy cum Heliport at Hadapsar, Pune from the DGCA on deposit basis. The same was sub contracted to NBCC, which had handed over the building to the company in 2016. The company has no documents to certify handing over the stated building to DGCA. Neither has insurance has been taken for the building nor any security guards deployed. In case of pilferage at/damage to the building, loss, if any will have to be borne by the company.

15. As stated in Note no. 32 IX, Balance confirmations were circulated to parties covered under the head Trade receivables, Trade payables, Long term and short-term liabilities, Other Current liabilities, Long term and Short term Loan & Advances and deposits but response received was minimal. Pending confirmation and reconciliation, consequential impact on the Ind AS financial statements cannot be quantified.

16. During the year under audit, we have observed gaps in internal control in Internal Financial Controls over Financial reporting annexed to our report. Hence, internal audit needs to be strengthened and scope enhanced to ensure in-depth verification of functional departments other than Finance specifically Operations, Marketing, Legal and Human Resources etc to make it commensurate with the size and nature of operations of the company.

Our opinion above on the Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matters	Auditor's Response
1.	Accuracy of Revenues and Onerous obligations in respect of Fixed Price Contracts Involves Critical Estimates: Estimated efforts are a critical estimate to determine revenues and liability for onerous obligations. This estimate requires consideration of progress of the contract, and costs required to complete the remaining contract performance obligations. Refer Accounting Policy no. 2 (xi).	Principal audit procedures: Our audit approach was a combination of test of internal controls and substantive procedures which included the following: • Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. • Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorized changes to recording of efforts incurred. • Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to efforts incurred and estimated. • Selected a sample of contracts to identify costs for significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract. • Reviewed a sample of contracts to identify unbilled revenues, if any. • Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.
2.	The company operates in an environment where they have fixed rate contracts with state governments/ UTs/ PSUs on nomination basis/tender & passenger flying under RCS and Kedarnath Yatra. However, in following year, due to impact of COVID-19 there is reduction in flying affecting revenue & there was uncertainty in estimating amount recoverable from Trade Receivables, as the Company has received request to not charge minimum guaranteed hours per month due to pandemic. We identified revenue recognition as a key audit matter because revenue is one of the Company's key performance indicators, it involves determining unexercised rights of both parties, all of which may give rise to an inherent risk. Refer Accounting Policy no. 2 (xiii) and Note no. 32 XXXVIII.	Principal audit procedures: Our procedures included, but were not limited to the following: • assessed that the revenue recognition policy is in line with Ind AS 115 'Revenue from Contracts with Customers'; • performed tests of details such as tested revenue and collection reconciliations of Company's records with reports generated from system, tested manual journal entries posted into relevant revenue accounts in the sub-ledger and general ledger which met specified risk-based criteria. • analysed the terms related to contracts and obtained data supporting like Company's correspondence with parties, wherever shared and tested a sample of revenue documents from the source data to ascertain effect on revenue and evaluated the judgements used in determining the timing & extent of recognition of revenue.

3.	Litigations The Company operates in an industry, which is heavily regulated, which increases inherent litigation risk. The Company is engaged in a number of legal actions, including labour matters and claims lodged by passengers. Refer Accounting Policy no. 2 (xii) and Note no. 32 II d.	Principal audit procedures: • We evaluated and tested the design and operating effectiveness of the Company's controls in respect of determination of provisions to ensure that they operate effectively. • We read summary of litigation matters provided by the management and held discussions with the Company's legal head with respect to the matters included in the summary. • We examined correspondence connected with the cases. To evaluate the valuation and completeness of the provision recognized by the Company, we tested its calculation. • We also evaluated adjustments to legal provisions along with the Probable, Possible and Remote analysis prepared by the Company.
4.	Uncertain tax positions The Company operates in a complex tax environment and is subject to a range of tax risks during the normal course of business. The arrangements for transactions/ agreements entered into by the Company are complex, judgmental and subject to challenge by the Tax Authorities. Further, the allowability of certain expenses and admission of additional supporting documents by the Company is also a matter of ongoing dispute with the authorities. Refer Accounting Policy no. 2 (xii) and Note no. 32 II c.	Principal audit procedures: • We evaluated and tested the design and operating effectiveness of the Company's controls over provisions for uncertain tax positions to ensure that they operate effectively. • In understanding and evaluating management's judgment, we examined correspondence connected with the cases, considered the status of recent and current tax authority enquiries, judgmental positions taken in tax returns and current year estimates and developments in the tax environment. • With the assistance of our tax team, we evaluated management's judgment in respect of estimates and opinion of consultants provided by the management for tax exposures and contingencies in order to assess adequacy of Company's tax provisions.

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Board's Report including its annexures, Corporate Governance and shareholders information but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and

whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

1. We did not audit the financial statements of Western Region included in the Ind AS financial statements of the Company whose financial statements reflect total assets of Rs. 87,852.72 lakhs as at March 31, 2020 and total revenue of Rs. 24,007.97 lakhs and net cash inflow of Rs. 1,591.14 lakhs for the year ended on that date, as considered in the Ind AS financial statements. The financial statements of Western Region has been audited by the branch auditors appointed by the Comptroller & Auditor General of India, whose report has been furnished to us. Our opinion in so far as it relates to the amounts and disclosures included in respect of Western Region, is based solely on the report of such branch auditors.

2. Due to COVID-19 pandemic and other restrictions imposed by the Government and local administration from time to time, majority of the audit processes were carried out remotely based on records made available by the management through digital medium.

Our opinion is not modified in respect of the above matter.

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 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, *subject to our comments in paragraph 'Basis of Qualified Opinion;*

(b) *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above,* 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. The audit of the accounts of Corporate Office and Northern Region was carried out by us, whereas audit of Western Region was audited by the respective branch auditors. The report of the branch auditors has been considered by us while preparing our report. *However, we have observed that the Company is using* *an accounting package that is obsolete and needs to be upgraded/replaced to cater to its current requirements*;

(c) The report on the accounts of Western Region audited under section 143(8) of the Act by the branch auditors has been sent to us and has been properly dealt with by us in preparing this report;

(d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow dealt with by this report are in agreement with the books of account of the Company;

(e) *Except for the effect of the matter described in the Basis for Qualified Opinion paragraph*, in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(f) The Company being a government company, provisions of Section 164(2) of the Act in respect of disqualification of Directors is not applicable;

(g) 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"**;

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirement of Section 197(16) of the Act as amended, the Company being a government company, provision in relation to payment of managerial remuneration as mandated by Section 197 read with Schedule V to the Act is not applicable;

(i) With respect to the other matters to be included in the Auditors' 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. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 32 (II) to the Ind AS financial statements;

ii. The Company did not have any long-term contracts, which may lead to material foreseeable losses. The Company does not deal in derivative contracts. The auditors of Western Region have reported as under: The Company has not made any provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company. Therefore the question of delay in transferring such sums does not arise.

3. As required by Section 143 (5) of the Act, we have considered the directions issued by the Comptroller & Auditor General of India, the action taken thereon and its impact on the Ind AS financial statements of the Company in **"Annexure – C"**.

For J. P., Kapur & Uberai
Chartered Accountants
Firm registration number: 000593N

sd/-
Vinay Jain
Partner
Membership number: 095187
UDIN: 20095187AAAABT9273
Place: New Delhi
Date: 14 -10-2020

Annexure 'A' to the Independent Auditor's Report to the members of Pawan Hans Ltd. on the Ind AS financial statements for the year ended March 31, 2020

(i) a) In Western Region, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. In respect of Corporate Office, fixed assets register, as prescribed under the Act has been maintained, *however, few instances have been observed where, situation of fixed assets has not been stated.* In Northern region*, the company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.*

b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. However, during the year under review, physical verification was carried out in Western Region only in respect of Computers. *Reconciliation between balance as per books and as per physical verification is still under progress. No physical verification was conducted at Northern Region & its bases including Westland fleet lying at Western Region. As per explanation provided to us, physical verification for Corporate Office and Eastern Region including its bases has been conducted during current financial year and reconciliation between balance as per books and as per physical verification is still under progress. In our opinion, this periodicity of physical verification by the management needs to be strengthened, as helicopter, its major Property, Plant & Equipment including spare engines should be verified on an annual basis* having regard to the size of the Company and the nature of its assets. *Further, rotables and repairable of gross value of Rs. 7,846.78 lakhs were sent for repairs and were lying with foreign OEMs as at the year-end. The company has been unable to obtain confirmation from OEMs for holding rotables on behalf of the Company.*

c) The title deeds of immovable properties, as disclosed in note no. 3 on Property, Plant & Equipment in the Ind AS financial statements, are held in the name of the Company, *except for Rohini Heliport, land for which is owned by the Ministry of Civil Aviation. Further, in respect of Building Residence (JHC) in Western Region, title deeds are not held in the name of Company. The land of JHC is in the name of Airports Authority of India. The Company had constructed flats on the above-mentioned land, few of which have been taken on lease for a period of 25 years.*

(ii) According to the information and explanations given to us, *except for inventory is lying with third parties*, Northern Region has conducted physical verification of inventory during the year under review and no material discrepancies were noticed on such verification. In the case of Western Region, inventory has been physically verified by the management at the close of the year and no material discrepancies were noticed on such verification. However, some of the items of inventories were physically verified after the year due to lockdown issues. In case of stock of stores and spares at the detachments, issuances are made from regional headquarters and at the year end, the closing stock of stores and spares at detachments is recorded based on physical verification reports submitted by respective detachments, hence, *control exercised is limited as manual stock records are maintained at detachments.*

(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 Companies Act, 2013. Accordingly, the provisions of paragraph 3 (iii) of the Order are not applicable to the Company.

(iv) According to the information and explanations provided to us and the records of the company examined by us, the Company has not granted any loans or made any investments or provided any guarantees or security as specified under section 185 and 186 of the Companies Act, 2013. Therefore, provisions of paragraph 3(iv) of the Order is not applicable to the Company.

(v) As per information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under subsection (1) of section 148 of the Companies Act, 2013, for any of the services rendered or goods sold by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, value added taxes, Goods & services tax, cess and other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, goods & services tax, value added tax and other statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable *except stamp duty amounting to Rs. 13.81 lakhs which has not been paid till date.*

b) According to the information and explanations given to us, there are no dues of income tax, provident fund, employees' state insurance, sales tax, service tax, goods & services tax, value added tax, duty of customs, duty of excise and cess which have not been deposited by the Company with the appropriate authorities on account of any dispute as at March 31, 2020, other than those mentioned below:

Sl. No.	Name of the Statute	Nature of the dues	Amount (Rs. in lakhs)*	Period to which the amount relates	Forum where dispute is pending
1	Delhi Value Added Tax Act, 2004	VAT, Interest & Penalty	11,513.49	FY 2006-07	Appellate Tribunal, VAT, Delhi
2	Delhi Value Added Tax Act, 2004	VAT, Interest & Penalty	11,774.22	FY 2007-08	Appellate Tribunal, VAT, Delhi
3	Delhi Value Added Tax Act, 2004	VAT, Interest & Penalty	14,114.15	FY 2008-09	Appellate Tribunal, VAT, Delhi
4	Delhi Value Added Tax Act, 2004	VAT, Interest & Penalty	14,107.79	FY 2009-10	Appellate Tribunal, VAT, Delhi
5	Finance Act, 1994	Service Tax	532.31 (71.21)	FY 2009-10	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
6	Finance Act, 1994	Service Tax	447.43	FY 2010-11	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
7	Finance Act, 1994	Service Tax	551.39	FY 2011-12	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
8	Finance Act, 1994	Service Tax	274.07 (50.51)	FY 2012-13	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
9	Finance Act, 1994	Service Tax	482.40 (36.57)	FY 2014-15	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
10	Finance Act, 1994	Service Tax	317.44 (5.01)	FY 2015-16	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
11	Finance Act, 1994	Service Tax	354.43 (5.86)	FY 2016-17	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
12	Finance Act, 1994	Service Tax	31.84 (0.34)	FY 2017-18	Adjudicating Authority, CGST, Mumbai West
13	Finance Act, 1994	Service Tax	2,178.22	FY 2014-15 to FY 2016-17	Principal Commissioner, CGST, Guwahati
14	Employee State Insurance Act, 1948	ESIC contribution & Interest	25.30	FY 2012-13 to August 2016	District Court, Saket, New Delhi
15	Income Tax Act, 1961	Disallowance of expenses & Interest	2,997.00 (1,055.04)	AY 1997-98	ITAT, Delhi
16	Income Tax Act, 1961	Disallowance of expenses & Interest	2,975.00 (3,536.36)	AY 1998-99	ITAT, Delhi
17	Income Tax Act, 1961	Disallowance of expenses & Interest	2,650.00 (3,292.78)	AY 1999-00	ITAT, Delhi
18	Income Tax Act, 1961	Disallowance of expenses & Interest	4,742.00 (5,047.84)	AY 2000-01	ITAT, Delhi
19	Income Tax Act, 1961	Disallowance of expenses & Interest	2,556.00 (3,278.93)	AY 2001-02	ITAT, Delhi
20	Income Tax Act, 1961	Disallowance of expenses & Interest	5,829.79	AY 2017-18	CIT (Appeals)

* Figure in brackets either represents amount deposited under protest or amount with held by authorities from refund due to the Company.

(viii) In our opinion and according to the information and explanations given to us and on basis of our examination of the records of the Company, the company has not defaulted in repayment of loans or borrowings to banks or financial institutions. Further, no loans or borrowings were taken from the government and there were no debentures issued during the year or outstanding as at March 31, 2020.

(ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and terms loans.

(x) According to the 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, *except an instance of advance payments of USD 2,65,320 to purported bank account of M/s Klimov JSC, Russia towards repair of 3 Mi-172 engines in the financial year 2015-16, against which the Ministry of Civil Aviation has lodged a formal complaint during the year with the Economic Offences Branch III of Central Bureau of Investigation, as stated in note no. 32 XXI c.*

(xi) Being a Government Company, section 197 of the Act relating to managerial remuneration is not applicable to the Company, in view of notification no. G.S.R. 463(E) dated 05-06-2015.

(xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the company.

(xiii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, the Company has complied with provisions of section 177 and 188 of the Act, wherever applicable, for transactions with related parties and details of related party transactions have been disclosed in Note No 32 XXVI of the Ind AS financial statements as required by applicable accounting standards.

(xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares and fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is 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 them. Accordingly, paragraph 3(xv) of the Order is 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 J. P., Kapur & Uberai
Chartered Accountants
Firm registration number: 000593N

sd/-
Vinay Jain
Partner
Membership number: 095187
UDIN: 20095187AAAABT9273

Place: New Delhi
Date: 14 -10-2020

Annexure 'B' to the Independent Auditor's Report to the members of Pawan Hans Ltd. on the Ind AS financial statements for the year ended March 31, 2020

Report on the Internal Financial Controls Over Financial Reporting 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 **Pawan Hans Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 the 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 with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 auditors' 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 internal financial controls system over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls over Financial Reporting with reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 with reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, *the Company does not have documentation of comprehensive model for streamlining internal control including internal control over financial reporting incorporating RCM and gap tracking with a description of the objective, process and risk thereof. On our test check and review of adequacy and effectiveness of system of controls in place, gaps have been identified both in adequacy of design and effectiveness in areas of Fixed Assets Management, Materials Management, Bidding process, Accounting of Revenue, Statutory Compliances, Human Resources Management, Operations and Information Technology General Controls. Also, at bases, consolidated entries of expenses are made i.e. there is delay in accounting of expenses due to which liability of statutory dues like TDS and GST is impacted. Delayed/non-reconciliation of cash collected from ticket sales has been observed for RCS operations and Shree Kedarnath Yatra 2019. Due to older version of IT software, it cannot generate GST Returns and financials as per Ind AS, which has to be prepared manually. Few instances have been observed where, DOP has been breached and approval of competent authority was not obtained or obtained post facto. On our test check, we also observed few instances of under/over invoicing and non confirmation and reconciliation of balance of major Trade Receivables and creditors, offline/manual note sheets circulated/approved circumventing e-file system of approval, which is in vogue. As there is freeze on recruitment, company has employed contractual employees and consultants regularly over a considerable period of time. Internal control on legal cases and quantification of contingent liabilities needs to be strengthened. Further, as reported in note no. XXI, few instances of fraud on the company have been detected in previous years, which warrants detailed analysis to identify* *root cause, so that such instances can be eliminated or minimised. Conflict of interests in respect of few employees and non-rotation of key employees can abet fraud. We have also observed, lack of succession planning, non-standardisation of contracts of customers, rotables lying with foreign OEMs for more than 1 year, balances outstanding to/ from parties for more than 3 years, non reconciliation of flying hours per pilot with overall flying and billing hours. MIS system needs to be strengthened.*

In our opinion, except for the effects/possible effects of the material weakness/es described above on the achievement of the objectives of the control criteria, the Company has maintained 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 of March 31, 2020, 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.

We have, to the extent possible, considered the material weakness/es identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of March 31, 2020 Ind AS financial statements of the Company, and these material weaknesses are not likely to affect our opinion on the Ind AS financial statements of the Company.

For J. P., Kapur & Uberai
Chartered Accountants
Firm registration number: 000593N

sd/-
Vinay Jain
Partner
Membership number: 095187
UDIN: 20095187AAAABT9273

Place: New Delhi
Date: 14-10-2020

Annexure 'C' to the Independent Auditor's Report to the members of Pawan Hans Ltd. on the Ind AS financial statements for the year ended March 31, 2020

Directions under section 143(5) of Companies Act, 2013 issued by the Comptroller & Auditor General of India

S. No.	Directions	Auditor's Comment	Impact
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implication, if any, may be stated.	Yes, the Company has system in place to process all the accounting transactions through IT system and no accounting transactions are processed outside of IT System.	NIL
2	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/loans /interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial may be stated.	As per information and explanations given to us except for loan from NTPC, which has been restructured during the year due to operational issues, the Company does not have any instances of restructuring of an existing loan or cases of waiver/write off of debts/loans /interest etc. made by a lender to the Company due to it's inability to repay the loan.	NIL
3	Whether funds received / receivable for specific schemes from central / state agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	As per information and explanations given to us, the Company has not received any funds from central /state agencies during the year.	NIL

For J. P., Kapur & Uberai
Chartered Accountants
Firm registration number: 000593N

sd/-
Vinay Jain
Partner
Membership number: 095187
UDIN: 20095187AAAABT9273

Place: New Delhi
Date: 14 -10-2020

ACCOUNTS

PAWAN HANS LIMITED
Balance sheet as at 31 March, 2020

(Rupees in Lakhs)

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	ASSETS				
(1)	**Non-current assets**				
	(a) Property, plant and equipment	3.1	72,584.52	74,708.97	79,412.32
	(b) Capital work-in-progress	3.1	12.76	688.72	2,158.57
	(c) Intangible assets	4	-	2.60	5.67
	(d) Financial assets				
	(i) Investments	5	-	77.66	77.66
	(ii) Loans	6	519.41	539.54	600.17
	(iii) Other financial assets	7	157.41	160.33	177.55
	(e) Other non-current assets	8	6,719.38	7,732.03	10,380.48
	Total Non current assets		**79,993.48**	**83,909.85**	**92,812.41**
(2)	**Current assets**				
	(a) Inventories	9	5,107.01	4,952.25	4,649.24
	(b) Financial assets				
	(i) Trade receivables	10	16,703.37	16,869.88	14,707.69
	(ii) Cash and cash equivalents	11.1	5,365.44	2,086.23	3,851.21
	(iii) Other bank balances	11.2	6,429.69	11,500.22	30,185.06
	(iv) Loans	12	408.83	710.75	528.06
	(v) Other financial assets	7	2,043.10	2,815.63	2,101.07
	(c) Current tax assets (Net)	13	1,505.00	823.49	1,281.00
	(d) Other Current Assets	8	7,856.71	11,822.69	4,413.94
	(e) Assets classified as held for disposal/distribution	32(XV)	4,894.81	5,314.98	-
	Total Current assets		**50,313.96**	**56,896.12**	**61,717.28**
	Total Assets		**130,307.44**	**140,805.97**	**154,529.69**
	EQUITY AND LIABILITIES				
(1)	**Equity**				
	(a) Equity share capital	14.1	55,748.20	55,748.20	55,748.20
	(b) Other Equity	14.2	41,305.86	44,622.44	52,415.06
	Total Equity		**97,054.06**	**100,370.64**	**108,163.26**
	Liabilities				
(2)	**Non-current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	15	853.10	1,323.52	1,928.19
	(ii) Other financial liabilities	18	150.58	33.57	74.02
	(b) Other non current liabilities	20	-	-	-
	(c) Provisions	16	3,913.05	3,470.56	3,057.67
	(d) Deferred tax liabilities (Net)	17	9,328.91	17,280.79	20,245.74
	Total Non Current Liabilities		**14,245.64**	**22,108.44**	**25,305.62**
(3)	**Current liabilities**				
	(a) Financial liabilities				
	(i) Trade payables	19	4,033.46	5,294.04	11,016.45
	(ii) Other financial liabilities	18	5,157.74	970.14	848.57
	(b) Other current liabilities	20	4,872.89	5,724.20	4,363.49
	(c) Provisions	21	4,176.14	5,583.46	4,266.04
	(d) Current tax liabilities (Net)	13	-	-	566.26
	Total Current Liabilities		**18,240.23**	**17,571.84**	**21,060.81**
(4)	Liabilities directly associated with assets classified as held for sale	32(XV)	767.51	755.05	-
	Total Equity and Liabilities		**130,307.44**	**140,805.97**	**154,529.69**

Notes 1 to 32 form an integral part of the Financial Statements
This is the Balance Sheet referred to in our report of even date

For & on behalf of Board of Directors

sd/-
(Sanjeev Razdan)
Chairman-Cum-Managing Director
DIN No. 08711596

For J. P., Kapur & Uberai
Chartered Accountants
Firm Regd.No. 000593N

sd/-
(Vinay Jain)
Partner
Membership No 095187
Place : New Delhi
Date : 14-10-2020

sd/-
(Ranjit Singh Chauhan)
Company Secretary

Place : Noida

sd/-
(Shanker Lal Goel)
Chief Financial Officer

PAWAN HANS LIMITED
Statement of Profit and Loss for the year ended 31 March, 2020

(Rupees in Lakhs)

	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Revenue From Operations	22	34,593.16	38,115.58
II	Other Income	23	3,088.80	3,284.00
	Total Income (III)		**37,681.96**	**41,399.58**
IV	**Expenses**			
	Helicopter Operational & Maintenance Expense	24	14,771.58	16,646.07
	Employee benefits expense	25	18,016.27	17,190.10
	Finance costs	26	284.61	141.62
	Depreciation and amortization expense	27	8,741.76	7,583.57
	Other expenses	28	5,705.90	9,113.78
	Total expenses (IV)		**47,520.12**	**50,675.14**
V	**Profit/(Loss) before exceptional items and tax (III-IV)**		**(9,838.16)**	**(9,275.56)**
VI	Exceptional Items	29	-	-
VII	**Profit/(Loss) before tax (V-VI)**		**(9,838.16)**	**(9,275.56)**
VIII	**Tax Expense :**			
	(1) Current Tax		-	-
	Less: MAT Credit Availed		-	-
	(2) Provision for Income Tax for Earlier Years		191.21	(10.26)
	(3) Deferred Tax		(7,721.26)	(2,906.31)
			(7,530.05)	**(2,916.57)**
IX	**Profit/(Loss) of Continued Operations for the period (VII-VIII)**		**(2,308.11)**	**(6,358.99)**
X	**Discontinued operations**			
	Profit / (Loss)from discontinued operation before tax		(499.93)	(561.23)
	Tax expense of discontinued operations		-	-
			(499.93)	**(561.23)**
XI	**Other Comprehensive Income**			
	(A) Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
	(i) Net gain/(loss) on above		-	-
	(ii) Tax effect on above		-	-
			-	-
	(B) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
	(i) Net gain/(loss) on above	30	(736.53)	(187.89)
	(ii) Tax effect on above		229.80	58.62
			(506.73)	**(129.27)**
XII	**Total Comprehensive Income for the period (IX+ X+XI) (Comprising Profit/(loss) and Other Comprehensive Income for the period)**		**(3,314.77)**	**(7,049.49)**
XIII	**Earnings per equity share**	31		
	Continued Operations			
	(1) Basic		(505)	(1,164)
	(2) Diluted		(505)	(1,164)
	Discontinued Operations			
	(1) Basic		(90)	(101)
	(2) Diluted		(90)	(101)

Notes 1 to 32 form an integral part of the Financial Statements
This is the Statement of Profit & Loss referred to in our report of even date

For & on behalf of Board of Directors

sd/-
(Sanjeev Razdan)
Chairman-Cum-Managing Director
DIN No. 08711596

For J. P., Kapur & Uberai
Chartered Accountants
Firm Regd.No. 000593N

sd/-
(Vinay Jain)
Partner
Membership No 095187
Place : New Delhi
Date : 14-10-2020

sd/-
(Ranjit Singh Chauhan)
Company Secretary
Place : Noida

sd/-
(Shanker Lal Goel)
Chief Financial Officer

PAWAN HANS LIMITED

Statement of Changes in Equity for the year ended 31 March, 2020

(Rupees in Lakhs)

Particulars	Equity share Capital	Share Application Money Pending Allotment	Reserve and Surplus		Items of OCI		Total Other Equity
			General Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	Other items of Other Comprehensive Income	
AS at April 1, 2018	**55,748.20**	**-**	**2,050.00**	**53,983.94**	**(42.22)**	**245.28**	**56,237.00**
Changes in accounting policy	-	-	-	-	-	-	-
Addition During the Year	-	-	-	-	-	-	-
Prior period errors	-	-	-	(3,821.94)	-	-	(3,821.94)
Restated balance at the beginning of the reporting period	**55,748.20**	**-**	**2,050.00**	**50,162.00**	**(42.22)**	**245.28**	**52,415.06**
Profit/(Loss) for the year	-	-	-	(6,358.99)	-	(129.27)	(6,488.26)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**(6,358.99)**	**-**	**(129.27)**	**(6,488.26)**
Dividend & Corporate Dividend Tax	-	-	-	(743.13)	-	-	(743.13)
Payment of dividend distribution tax	-	-	-	-	-	-	-
Profit /(Loss)from discontinued operation		-		(561.23)			(561.23)
Equity shares Allotment to Govt. and ONGC	-	-					-
Any other change	-	-	-	-	-	-	-
AS at March 31, 2019	**55,748.20**	**-**	**2,050.00**	**42,498.65**	**(42.22)**	**116.01**	**44,622.44**
Changes in accounting policy	-	-	-	-	-	-	-
Impact of application of Ind AS 116	-	-	-	(1.81)	-	-	(1.81)
Restated balance at the beginning of the reporting period	**55,748.20**	**-**	**-**	**(1.81)**	**-**	**-**	**(1.81)**
Profit /(Loss) for the year from Continued Operations	-	-	-	(2,308.11)	(53.43)	(453.30)	(2,814.84)
Other comprehensive income	-	-	-				-
Total comprehensive income for the year	**55,748.20**	**-**	**-**	**(2,308.11)**	**(53.43)**	**(453.30)**	**(2,814.84)**
Dividend	-	-	-	-	-	-	-
Payment of dividend distribution tax	-	-	-	-	-	-	-
Profit /(Loss)from discontinued operation	-	-	-	(499.93)	-	-	(499.93)
Transfer to retained earnings	-	-	-	-	-	-	-
Any other change	-	-	-	-	-	-	-
As at March 31, 2020	**55,748.20**	**-**	**2,050.00**	**39,688.80**	**(95.65)**	**(337.29)**	**41,305.85**

Notes 1 to 32 form an integral part of the Financial Statements
This is the Statement of Changes in Equity referred to in our report of even date

For & on behalf of Board of Directors

sd/
(Sanjeev Razdan)
Chairman-Cum-Managing Director
DIN No. 08711596

For J. P., Kapur & Uberai
Chartered Accountants
Firm Regd.No. 000593N

sd/-
(Vinay Jain)
Partner
Membership No 095187
Place : New Delhi
Date :14-10-2020

sd/-
(Ranjit Singh Chauhan)
Company Secretary

Place : Noida

sd/-
(Shanker Lal Goel)
Chief Financial Officer

PAWAN HANS LIMITED

Statement of Cash Flow for the year ended 31 March, 2020

(Rupees in Lakhs)

	Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
A.	**Cash Flow from Operating Activities**				
	Net Profit before tax from Continuing Operations		(10,574.69)		(9,463.45)
	Net Profit before tax from Discontinuing Operations		**(499.93)**		**(561.23)**
	Adjustment for:				
	Depreciation and Amortization expenses (Net)	9,173.26		8,021.43	
	Interest Income on Bank Deposits	(633.09)		(1,179.96)	
	Insurance Claims - Only Hull	-		-	
	Profit on Sale of Fixed Assets	-		(1.61)	
	Interest Cost	284.61		141.62	
	Fixed Assets written off	170.08		874.22	
	Provision for doubtful debts & advances/Expected Credit Losses	1,238.91		2,358.89	
	Provision for non-moving inventory/life expired items	71.04		200.95	
	Unrealised Foreign Exchange Fluctuations	(17.68)		(232.47)	
	Loose Tools Written Off	34.67		25.70	
	Excess Provision Written Back (Others)	(413.25)		(527.05)	
	Loss on modification of Lease	8.73		-	
	Loss on Sale of Fixed Assets	-		2.28	
	Provision on impairment of assets	702.61		57.85	
	Provision for Loss at detachment	-		1.16	
	Provision for Dimunition in Value of Investment	77.66		-	
			10,697.55		9,743.01
	Operating Profit Before Working Capital Changes		**(377.07)**		**(281.67)**
	Changes in Assets and Liabilities				
	Trade Recievables	(122.11)		(4,246.12)	
	Loans & Advances and other assets	4,446.84		(5,149.16)	
	Inventories	(223.59)		(539.08)	
	Trade Payables, Other Liabilities and Provisions	538.86		(1,217.68)	
	Cash generated from operations		**4,640.00**		**(11,152.04)**
	Income Tax paid		(107.64)		(677.83)
	Net cash generated by operating activities		**4,155.28**		**(12,111.54)**
B.	**Cash Flow from Investing Activities**				
	Purchases of Fixed Assets	(6,846.03)		(7,417.81)	
	Sales / Insurance Claim / Adjustment of Fixed Assets	30.99		(29.56)	
	Capital Work-in Progress	(8.69)		(583.06)	
	Proceed/Investment of Fixed Deposit having maturity of more than 3 Months & under Lien	5,070.53		18,684.84	
	Interest received	**633.09**		**1,179.96**	
	Net Cash used in investing activities		**(1,120.11)**		**11,834.37**
C.	**Cash Flow from Financing Activities**				
	Interest Cost	(284.61)		(141.62)	
	Dividend	-		(616.42)	
	Corporate Tax on Dividend	-		(126.71)	
	Lease Liabilities	873.58		-	
	Repayment of Long Term Borrowings	**(335.23)**		**(569.53)**	
	Net Cash generated by/ (used in) financing activities		**253.74**		**(1,454.28)**
	Net Increase In Utilisation of Cash and Cash Equivalents		**3,288.91**		**(1,731.45)**
	Cash and cash equivalents at the beginning of the period		2,119.56		3,851.02
	Cash and cash equivalents at the end of the period		**5,408.47**		**2,119.57**
	Notes:				
	1. Cash & Cash Equivalents includes:				
	Cash & Cash Equivalents related to continuing Operations		5,365.44		2,086.23
	Less: Balance of Dividend Account With Bank		0.14		0.19
	Net Cash & Cash Equivalents related to continuing Operations (A)		5,365.30		2,086.04
	Cash & Cash Equivalents related to discontinuing Operations (B)		43.17		33.52
	Total Cash and Cash Equivalents (A+B)		**5,408.47**		**2,119.56**

Notes 1 to 32 form an integral part of the Financial Statements

Notes :

1. Figures in Brackets indicates Cash outflows.
2 The above Cash Flow Statement has been prepared under the indirect method set out in IND -AS -7 Cash Flow Statement.

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

For & on behalf of Board of Directors

sd/-
(Sanjeev Razdan)
Chairman-Cum-Managing Director
DIN No. 08711596

For J. P., Kapur & Uberai
Chartered Accountants
Firm Regd.No. 000593N

sd/-
(Vinay Jain)
Partner
Membership No 095187
Place : New Delhi
Date : 14-10-2020

sd/-
(Ranjit Singh Chauhan)
Company Secretary
Place : Noida

sd/-
(Shanker Lal Goel)
Chief Financial Officer

29. SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information

Pawan Hans Limited ("the Company") (CIN. U62200UP1985GOI129953) is a public limited company incorporated on October 15, 1985 under the Companies Act, 1956 and domiciled in India having its registered office at C-14, Sector-1, Noida, Distt. Gautam Budh Nagar – 201301. The company is a public sector undertaking and registered with the Registrar of Companies, Uttar Pradesh.

The Company has emerged as a pioneering leader in India's aviation sector and is engaged in the business of providing helicopter services for a diverse range of activities with building the infrastructure, developing the human resource and enhancing the safety levels of helicopter operations for the entire nation. The Company is providing helicopter services to several State Governments namely, Meghalaya, Mizoram, Assam, Tripura, Sikkim, Odisha, Himachal Pradesh, Jammu & Kashmir, Gujarat, Ministry of Home Affairs, Lakshadweep Administration, Andaman & Nicobar Administration, MTDC and GTDC including Kedarnath and also to ONGC, NTPC, OIL, GSPC, GAIL, Maharashtra Police, BSF etc.

2. A Basis of preparation

(i) Statement of compliance

The financial statements are prepared and presented in accordance with Generally Accepted Accounting Principles in India (GAAP) to comply with the mandatory Indian Accounting Standards ("Ind AS) as prescribed under section 133 of the Companies Act, 2013 (the "Act"), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, relevant provisions of the Act and other accounting principles generally accepted in India. The Company had adopted Ind AS with effect from 1 April 2016, with transition date of 1 April 2015, pursuant to notification issued by Ministry of Corporate Affairs dated 16 February 2015, notifying the Companies (Indian Accounting Standard) Rules, 2015.

The financial statements were authorized for issue by the Board of Directors of the Company on 14th October, 2020.

(ii) Basis of measurement

The financial statements have been prepared on the historical cost basis, except certain financial instruments that are measured at fair value or amortized cost.

(iii) Critical accounting estimates and judgments

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

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

Information about significant areas of estimation/uncertainty and judgments in applying accounting policies that have the most significant effect on the financial statements are as follows:

Note 32 (XII) & Point No. 2 (xi) below - measurement of defined benefit obligations: key actuarial assumptions.

Note 2 (vi) below- measurement of useful life and residual values of property, plant and equipment.

Note 32 (XXI) - estimation of cost of overhaul.

Note 32 (II (c, d, e & f))- judgment is required to ascertain whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claim.

Note 32 (XXIX) & Point No.2 (iii) below - fair value measurement of financial instruments.

There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

B. Significant Accounting Policies

The Accounting policies set out below have been applied consequently to the periods presented in these financial statements.

(i) Current Vs Non-Current Classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting period; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting period; or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle being a period of twelve months for the purpose of classification of assets and liabilities as current and non-current.

(ii) Foreign currency transactions and translations

Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be Indian Rupees (Rs.). The financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest Lakhs upto two decimal places, unless otherwise stated.

Transactions and Balances

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Company at the exchange rates at the date of the transactions.

Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/ (losses) arising on account of realization/settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognized in the Statement of Profit and Loss, except for gains / (losses) arising on translation of long-term foreign currency monetary loans taken before 31 March 2016 and used for acquisition of depreciable property, plant and equipment, are adjusted in the cost of property, plant and equipment. The above treatment will continue till the repayment of the foreign currency monetary loans.

Foreign exchange gains / (losses) arising on translation of foreign currency monetary loans are presented in the Statement of Profit and Loss on net basis. However, foreign exchange differences arising from foreign currency monetary loans to the extent regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs.

(iii) Fair value measurement

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

Sell the asset or transfer the liability takes place either:

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

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

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

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

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is Significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The Company measures financial instruments, such as, investments (other than investment in subsidiaries), at fair value at each reporting date. Also, fair value of financial instruments measured at amortized cost is disclosed in Note 32(XI).

(iv) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(A) Financial Assets

Recognition and initial measurement

At initial recognition, financial assets are initially measured and recognized at fair value except where the company has availed the exemption provided in Para D20 of Ind AS 101 for first time adoption of Ind AS to apply the fair value measurement prospectively on the transactions undertaken after the transition date. In case of financial asset not recorded at fair value through Profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Classification and subsequent measurement

Classification

The Company classifies its financial assets in the following subsequent measurement categories:

- Debt instruments measured at amortised cost,
- Debt instruments measured at fair value through other comprehensive income (FVTOCI),
- Debt instruments, derivatives and equity instruments measured at fair value through profit or loss (FVTPL),
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Initial Recognition and Measurement

Subsequent Measurement

Financial Assets measured at amortized cost

A financial asset is measured at amortized 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss (if any). This category generally applies to loans to employees, trade receivables, security deposits & other receivables.

Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)

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

Financial Assets measured at Fair Value through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL

(B) Impairment of financial assets (other than at fair value)

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets that are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance computed using ECL model, are recognized as an impairment gain or loss in the Statement of Profit and Loss.

(C) Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

(D) Financial liabilities

Initial recognition and measurement

Financial liabilities at initial recognition can be classified as under:

- financial liabilities at fair value through profit or loss,

- financial liabilities measured at amortized cost,
- loans and borrowings and payables,

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

The financial liabilities of the company include security deposits, trade and other payables.

Subsequent measurement

Financial liability measured at amortized cost (the only category relevant to the company) is subsequently measured at amortized cost using the effective interest rate. Interest expense and foreign exchange gain and losses are recognized in Statement of Profit and Loss.

(E) 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 the transfer qualifies for derecognition under Ind AS 109.

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(F) Offsetting of financial instruments

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

(v) Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value.

(vi) Property, Plant and Equipment

Recognition and Measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Costs directly attributable for acquisition are capitalized until the property, plant and equipment is ready for use, as intended by the management. The company depreciates property, plant and equipment over its estimated useful lives using the straight-line method. 5% of original cost of property, plant and Equipment is considered as Residual value.

During the year 2015-16, a Technical committee of the company after intensive technical evaluation re-assessed the estimated useful life of Helicopter fleet. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013. The useful life, as determined for different type of Helicopters fleet are as under:-

Type of Helicopter	Estimated Useful life in years	Estimated useful life in flight hours
Dauphin SA 365 N	35 Years	1,00,000 Flight Hours
Dauphin AS 365 N3	35 Years	1,00,000 Flight Hours
Ecureuil AS 350 B3	35 Years	1,00,000 Flight Hours
Bell 206 L4	35 Years	35,000 Flight Hours
Bell 407	35 Years	35,000 Flight Hours
Mi-172	30 Years	18,000 Flight Hours

The company follows component accounting for property, plant and equipment in accordance with the Ind AS-16 by identifying and depreciating separately the major components of an item of property, plant and equipment that have cost which is significant in relation to the total cost of the item and that has different useful life. The Company has considered component having cost of 8% or more as compared to total cost of Helicopter as a significant component, however Major Overhaul Cost of Helicopter represented as Embedded Maintenance has been recognized separately and in case of other assets, no significant component has been identified for the purpose of component accounting.

Significant components identified in helicopter which have different useful are as under:-

Fleet Type	Component Identified	Useful Life of Component
Dauphin N	Engine	3000 Hours / 5 Years**
	MGB	3000 Hours / 5 Years**
	Overhaul Cost of Helicopter	5400 Hours / 9 Years**
Dauphin N3	Engine	3500 Hours / 6 Years**
	MGB	3000 Hours / 5 Years**
	Overhaul Cost of Helicopter	5400 Hours / 9 Years**
Ecureuil AS 350B3	Engine	3500 Hours / 6 Years**
	MGB	3000 Hours / 5 Years**
	Overhaul Cost of Helicopter	Major Inspection – 12 Years**
Bell 407	Engine	2000 Hours / 3 Years**
	Transmission Assembly	5000 Hours / 8 Years**
	Hub Assembly	2500 Hours / 4 Years**
	Overhaul Cost Helicopter	No Major Overhaul
Mi-172	Engine	1500 Hours / 5 Years**
	Overhaul Cost Helicopter	4500 Hours / 15 Years**

** Years are based on 600 Hours average flying for N, N3, B3 & Bell 407 and 300 Hours of Average flying for Mi-172.

Where a major part of an asset is replaced or restored, the carrying amount of the old part is de-recognized and the new part is added to the asset. Where the carrying value of the de-recognized/replaced component is not known, best estimate is determined by reference to the current cost.

Subsequent costs

Subsequent costs are capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other repairs and maintenance expenditure on other tangible assets is recognized in the Statement of Profit and Loss, at the time of incurrence.

Depreciation

Depreciation on Airframe and Aero-engine equipment-Rotables and cost of mid-life up gradation programme (including type certification costs) /major retrofit of the Helicopters is computed on straight-line basis in a manner so as to write-off 95% of the amount thereof over the remaining useful life of the principal asset (type of helicopters) to which they pertain. For this purpose, the remaining useful life of the last batch of helicopters (in case of Dauphin N since these constitute significant strength of the fleet) or latest helicopter (in the case of other fleet) is considered.

Cost of leasehold land is amortized over the period of lease. Similarly, the cost of residential flats constructed under joint development agreement with Airport Authority of India is amortized over the period of right to possess the property as per the terms of such agreement.

Depreciation in respect of additions or deletions of helicopters / spare aero engines is made on a pro-rata basis on number of days, effective from / to the date of acquisition (being the date of Signing of Certificate of Airworthiness by Airworthiness Officer of the region in India for helicopters) / disposal. Depreciation in respect of all other property, plant & equipment is reckoned on pro-rata basis on number of days. The effective date of addition for the purpose of such other assets is taken as the first day of the month following the month of purchase of the asset. Likewise, in respect of deletions, last day of the preceding month of the deletion of such an asset is considered for providing pro-rata depreciation. Assets of material value retired from active use and held for disposal are stated at the lower of their net book value or net realizable value (wherever available) and disclosed separately in the account. No Depreciation is provided on such assets (including westland helicopters and related item w.e.f. F.Y.1995-96. Gains and Losses arising from retirement or disposal of assets are credited / charged to the Statement of Profit and Loss.

The estimated useful life of Mobile handsets has been considered to be three years.

Depreciation methods, useful lives and residual values are reviewed periodically, including at the end of each financial year.

Capital work-in-progress

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

(vii) Intangible Assets

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortization and accumulated impairment losses, if any.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on de-recognition are determined by comparing proceeds with carrying amount and are included in the Statement of Profit and Loss.

Subsequent costs

Subsequent costs are capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on other intangible assets is recognized in the Statement of Profit and Loss, as incurred.

Amortization

The company amortizes intangible assets with a finite useful life using the straight line method over the lives of the intangible assets. The amortization expenses on intangible assets are recognized in the Statement of Profit and Loss. The estimated useful lives are reviewed annually by the management and adjusted prospectively.

Cost of software purchased/developed in-house exceeding Rs. 5 lakhs each is amortized over a period of 60 months on straight line basis from the date of successful commissioning of the software, subject to review at each financial year end. Software costing up-to Rs. 5 lakhs each are charged off to Revenue in the year of purchase.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management is committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

(viii) Inventories

Inventories (except the items described below separately) are valued at lower of cost (on moving weighted average basis) or net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition. Items of spares and stores lying on the shop floor at the year-end are also considered as part of closing inventory.

Loose tools/test tools are amortized equally over a period of 3 financial years including the year of purchase and stated accordingly. Items scrapped under these heads are written off on FIFO basis.

Stores and Spares, landed unit value of which, is less than Rs. 1,000 and all items of consumables, oil, greases, and lubricants are expensed in the year of purchase.

Provision is made in the accounts on moving weighted average basis for non-moving items of stores, spares and consumables (other than ground support and test equipments, and maintenance tools) which have not been issued for actual use for three consecutive years from the date of last transaction.

(ix) Impairment

a) Financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets with credit risk exposure:

i. Financial assets that are debt instruments and are measured at amortized cost e.g. loans, deposits etc.

ii. Trade receivables – The company measures trade receivables at their transaction price unless the transaction contains a significant financing component and for the purpose of recognition of impairment loss allowance, the company applies the simplified approach prescribed by Ind AS-109 Financial Instrument for trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The company measures expected credit losses only in case where reasonable and supportable information is available without undue cost or efforts at the reporting date about past events, current conditions & forecast of future economic conditions.

In the absence of availability of any specific reliable information, the company usually considers debts recoverable from Central Government/State Government/ Union Territories for more than seven years as doubtful and is provided for unless specifically known to be doubtful prior to this period. Debts recoverable from outside parties other than Central Government/State Government/Union Territories for more than three years are considered doubtful and provided for unless specifically known to be doubtful prior to this period.

iii. Trade payables – Unclaimed credit balances relating to outside parties and outstanding for more than three years are written back and treated as income.

iv. Time barred dues from the government / government departments / government companies are generally not considered as increase in credit risk of such financial asset.

v. Where dues are disputed in legal proceedings, provision is made if any decision is given against the Company even if the same is taken up on appeal to higher authorities / courts.

vi. Dues outstanding for significant period of time are reviewed and provision is made on a case to case basis.

vii. Impairment loss allowance (or reversal) is recognised as expense / income in the statement of profit and loss.

b) Non-financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. An impairment loss is recognized in the Statement of Profit & Loss for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount (higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

(x) Employee Benefits

a) Short term employee benefits

Employee benefit liabilities such as salaries, wages and bonus etc. that are expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related services are recognized in respect of employees services up to the end of the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

b) Post-employment benefit plans

Employee benefits consist of contribution to provident fund, pension, post-retirement medical benefits, gratuity fund, compensated absences and baggage allowance on retirement etc.

Defined Contribution plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation benefits are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

Provident Fund

The Company makes contribution towards provident fund, in substance a defined contribution retirement benefit plan for eligible employees. Under the scheme, the company is required to contribute a specified percentage of basic salary to fund the benefits. The contributions as specified under the law are paid to the Provident Fund Trust set up by the Company. The company is liable for monthly contributions and any shortfall in the fund assets based upon GOI specified minimum rates. Such contributions and shortfall, if any, are expensed in the year of payment.

Pension Fund

The Pension scheme of the Company is defined contribution scheme where the Company's liability is restricted to the contributions made for each month equivalent to 11% of salary on which provident fund contribution is made. The company has finalized the pension scheme with Life Insurance Corporation of India after approval from MoCA.

Defined benefit plans

The company provides the following major defined benefit plans:

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity subject to a maximum of Rs. 20.00 Lakhs on superannuation, resignation, termination, disablement or on death. The gratuity scheme is funded by the company and is managed by a separate trust.

Post-Retirement Medical Benefit Scheme (PRMBS)

The Company has Post-Retirement Medical Benefit Scheme under which a retired employee and his/ her spouse are provided medical facilities in the empanelled hospitals subject to a ceiling fixed by the Company.

Baggage Allowance on retirement

The Baggage Allowance represents post retirement reimbursement towards travel for the employee/ family members and shifting of baggage to any place in India where the employee intends to settle after retirement.

The liability or asset recognized in the balance sheet in respect of the defined benefit plans of the company is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability or asset is recognized in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the year in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in Statement of Profit and Loss as past service cost.

Leave (Earned Leave/ Half Pay Leave)

The Company provides for earned leave benefit (including compensated absence) and half-pay leave to the employee of the Company, which accrues annually at 30 days and 20 days respectively. 75% of the earned leave is en-cashable while in service. Half-pay leave is en-cashable only on separation beyond the age of 50 years upto the maximum of 480 days and no commutation of Half Pay Leave is permissible. As per DPE guidelines, EL & HPL can be en-cashed upto maximum of 300 days together on superannuation. The liability for the same is recognized on the basis of actuarial valuation.

(xi) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where 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. No provision for accrued expenses/ liabilities is made in the accounts where the individual transaction is less than Rs. 5,000.

Provision is made in the accounts for all known liabilities existing on the date of balance-sheet. Liabilities not known or liabilities whose amount cannot be determined with any reasonable degree of accuracy are not provided for. Further, liability for goods or repairs/overhaul charges is made in the accounts for goods dispatched by the suppliers by 31st March of each year but not received by the Company as at the year end, based on manufactures advice/engineering estimates.

A provision for onerous contracts is recognised when expected benefits to be derived by the Company from a contract are lower than unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of lower of expected cost of terminating the contract and expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

The expense relating to any provision is presented in the Statement of Profit and Loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as part of finance costs.

(xii) Contingent liabilities / contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in notes to the financial statements. Where there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no disclosure is made.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

(xiii) Revenue Recognition

Revenue from Contract with Customers

i. Revenue is recognized when (or as) the company satisfies a performance obligation by transferring the promised goods or services (i.e., an Asset) to a Customer.

ii. Satisfaction of performance obligation over time

a. Revenue is recognised over time where the transfer of control of goods or services take places over time by measuring the progress towards complete satisfaction of that performance obligation, if one of the following criteria is met:

- the company's performance entitles the customer to receive and consume the benefits simultaneously as the company performs
- the company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced
- the company's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment for performance completed to date.

b. Progress made towards satisfying a performance obligation is assessed based on the ratio of actual costs incurred on the contract up to the reporting date to the estimated total costs expected to complete the contract. If the outcome of the performance obligation cannot be estimated reliably and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

c. In case of AMC contracts, where passage of time is the criteria for satisfaction of performance obligation, revenue is recognised using the output method.

iii. Satisfaction of performance obligation at a point in time

a. In respect of cases where the transfer of control does not take place over time, the company recognises the revenue at a point in time when it satisfies the performance obligations.

b. The performance obligation is satisfied when the customer obtains control of the asset. The indicators for transfer of control include the following:

- the company has transferred physical possession of the asset
- the customer has legal title to the asset
- the customer has accepted the asset
- when the company has a present right to payment for the asset
- the customer has the significant risks and rewards of ownership of the asset. The transfer of significant risks and rewards ownership is assessed based on the Inco-terms of the contracts.

iv. Measurement

1. Revenue is recognized at the amount of the transaction price that is allocated to the performance obligation.

2. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third parties.

3. In case of price escalation, where additional consideration is to be determined and approved by the customers, such additional revenue is recognised on receipt of confirmation from the customer(s).

4. Revenue is measured at fair value of the consideration received or receivable. The specific recognition criteria decided below must also be met before revenue is recognized.

a) Revenue from helicopter operations is recognized on accrual basis as per the terms of the contract.

b) Revenue relating to engineering and other services is recognized by reference to the stage of completion of the transaction at the end of the reporting period when the outcome of a transaction involving rendering of services can be estimated reliably.

c) Revenue from Sale of scrapped Assets/ Stores is recognized on actual realization.

d) Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

v. If the stand-alone selling price is not available the company estimates the stand alone selling price.

vi. **Penalties**

Penalties (including levy of liquidated damages for delay in delivery) specified in a contract are not treated as an inherent part of Transaction Price if the levy of same is subject to review by the customer.

(xiv) **Dividend to equity shareholder**

Dividend to equity shareholder is recognized as liability and deducted from shareholder equity in the period in which dividends are approved by the equity shareholder in the general meeting. Interim dividends, if any, are recorded as a liability on the date of declaration by the Company's Board of Directors.

(xv) **Prepaid Expenses**

Prepaid expenses which are individually less than Rs. 5,000 are not accounted for.

(xvi) **Borrowing Costs**

Borrowing cost that are directly attributable to the acquisition or construction of asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. General borrowing costs are capitalised to qualifying assets by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to general borrowings outstanding, other than specific borrowings. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Other borrowing costs are recognized as an expense in the year in which they are incurred.

(xvii) **Commission**

The commission paid / payable on sales is recognized on sale of ticket and in accordance with the terms of contracts with agents (customers). As the Company acts as a principal, the commission is recognized as an expense in the Statement of Profit and Loss.

(xviii) **Expenditure**

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.

(xix) **Helicopter repair and maintenance cost**

The Company recognizes helicopter repair and maintenance cost in the Statement of Profit and Loss (except cost of major overhaul) on incurred basis.

(xx) **Helicopter fuel expense**

Helicopter fuel expenses are recognized in the statement of profit and loss as uplifted and consumed, net off any discounts.

(xxi) **Income Taxes**

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current Tax

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Current tax relating to items recognized directly in equity, is recognised in Other Comprehensive Income and not in the statement of profit & loss.

Additional demands of Income Tax raised in the Assessment are provided in the year of finality of Assessments. Accordingly, the interest on Income Tax refunds is accounted for in the year of finality of assessments or actual receipt, whichever is later.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set-off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the year is made based on the best estimate of the annual tax rate expected to be applicable for the financial year.

(xxii)Deferred Tax

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The carrying amount of the Deferred tax assets are reviewed at end of each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the year that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and tax losses can be utilized.

Unrecognized deferred tax are reassessed at each reporting date and recognized to the extent that it has become probable that the future taxable profits will be available against which it can be used.

Deferred tax assets and liabilities are offset only if the company has legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax relating to the items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

MAT under the provisions of the Income Tax Act, 1961 is recognized in the statement of profit and loss. The credit availed under the Act in respect of MAT paid is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against normal tax liability. MAT Credit recognized as an asset is reviewed at each reporting date and written down to the extent aforesaid convincing evidence no longer exists.

(xxiii) Earnings per equity share

The company presents basic and diluted earnings per share data of its ordinary shares. Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential ordinary shares.

(xxiv) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments

(xxv) Insurance / Insurance Claim

(a) Insurance Claims other than those relating to the helicopters and inventory are accounted for on cash basis and recognized as income except where payable to any third party.

(b) All helicopter and inventory related claim recoveries other than the total loss are accounted for in the year of lodging the final claim upon establishing the virtual certainty of admittance of claim by the insurance surveyor/insurance company at the estimated/ finally assessed value which is known before the close of Books of Accounts of such financial year, otherwise in the year of admittance of claim. Actual expenditure on repairs and Insurance claim realized are accounted for in Statement of Profit and Loss and the assets are carried forward at their book values.

(c) In case of total loss of helicopter, adjustment is made in the year of event taking place by reducing the written down value of the helicopter from the Property, Plant & Equipment and reflecting the same as "Insurance Claim Receivable Account" and appropriate adjustment is made to the "Profit / Loss on Insurance Claim on destruction of Assets", when the value of claim is admitted / settled by the insurance company.

(xxvi) Events after the Reporting Period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

(xxvii) Leases

Company as a Lessee:-

Contracts with third party, which give the company the right of use in respect of an Asset, are accounted in line with the provisions of Ind AS 116 – Leases, if the recognition criteria as specified in the Accounting standard are met.

Lease payments associated with Short terms leases and Leases in respect of Low value assets are charged off as expenses on straight line basis over lease term or other systematic basis, as applicable.

At commencement date, the value of "right of use" is capitalised at the present value of outstanding lease payments plus any initial direct cost and estimated cost, if any, of dismantling and removing the underlying asset and presented as part of Plant, property and equipment.

Liability for lease is created for an amount equivalent to the present value of outstanding lease payments and presented as Borrowing. Subsequent measurement, if any, is made using cost model.

Each lease payment is allocated between the liability created and finance cost. The finance cost is charged to the Statement of Profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the company's incremental borrowing rate.

Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

Company as a Lessor:

Leases are classified as operating lease or a finance lease based on the recognition criteria specified in Ind AS 116 – Leases.

a) Finance Lease :

At commencement date, amount equivalent to the "net investment in the lease" is presented as a Receivable. The implicit interest rate is used to measure the value of the "net investment in Lease".

Each lease payment is allocated between the Receivable created and finance income. The finance income is recognised in the Statement of Profit and loss over the lease period so as to reflect a constant periodic rate of return on the net investment in Lease.

The asset is tested for de-recognition and impairment requirements as per Ind AS 109 – Financial Instruments.

Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

b) Operating lease:

The company recognises lease payments from operating leases as income on either a straight-line basis or another systematic basis, if required.

Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

Note 3: Property, Plant and Equipment

3.1 Assets under active use

(Rupees in Lakhs)

Particulars	Leasehold Land	Helicopter/Aero Engine & Other Related Component	Building	Plant & Equipment	Furniture & Fixture	Vehicle	Office Equipment	Computer & other related equipments	Right to Use Assets	Total	Capital work in progress
Gross carrying value as at 1 April, 2018	**42.57**	**90,556.26**	**7,667.55**	**3,360.76**	**430.24**	**82.41**	**180.46**	**205.98**	**-**	**102,526.22**	**2,190.48**
Additions	-	9,277.04	5.02	129.62	7.31	-	7.97	11.08		9,438.04	583.06
Impairment		(24.68)								(24.68)	-
Transferred to Discontinued Operations			(5,191.40)	(810.66)	(111.32)	(0.81)	(19.68)	(0.11)		(6,133.98)	-
Disposals/Adjustments	-	(939.66)	(0.01)	(0.55)	(1.08)	(0.90)	(3.42)	-		(945.62)	(2,020.23)
Gross carrying value as at 31 March, 2019	**42.57**	**98,868.96**	**2,481.16**	**2,679.17**	**325.15**	**80.70**	**165.33**	**216.95**	**-**	**104,859.98**	**753.31**
Additions	-	5,600.53	3.69	195.69	3.40	-	6.30	5.87	1,711.15	7,526.62	8.69
Disposals/Adjustments	(42.57)	(1,051.66)	-	(6.82)	(1.51)	-	(0.82)	-	8.60	(1,094.78)	(684.65)
Impairment	-	(702.61)							-	(702.61)	
Transferred to Discontinued Operations		-	(3.56)	(0.01)	(1.02)	-	(0.03)	-	-	(4.61)	-
Gross carrying value as at 31 March, 2020	**-**	**102,715.22**	**2,481.30**	**2,868.03**	**326.02**	**80.70**	**170.78**	**222.82**	**1,719.75**	**110,584.61**	**77.35**
Depreciation & Impairment											
Accumulated depreciation as at 1 April, 2018	**1.96**	**21,072.29**	**741.11**	**840.15**	**171.50**	**51.99**	**80.73**	**154.17**	**-**	**23,113.90**	**-**
Depreciation charge for the year- Continued Operations	0.65	7,130.39	129.97	231.66	50.67	8.81	17.35	11.00		7,580.50	-
Depreciation charge for the year- Discontinued Operations			342.68	79.97	11.13	0.10	3.94	0.04		437.86	-
Transferred to Discontinued Operations			(715.40)	(166.96)	(23.24)	(0.21)	(8.22)	(0.07)		(914.10)	-
Impairment	-	-	-	-	-	-	-	-		-	-
Amount adjusted from Retained earnings	-	-	-	-	-	-	-	-		-	-
Disposals	-	(65.14)	-	-	(0.52)	(0.16)	(1.33)	-		(67.15)	-
Accumulated depreciation as at 31 March, 2019	**2.61**	**28,137.54**	**498.36**	**984.82**	**209.54**	**60.53**	**92.47**	**165.14**	**-**	**30,151.01**	**-**
Depreciation charge for the year- Continued Operations	-	7,511.12	125.61	230.34	48.31	3.34	14.96	15.31	790.17	8,739.16	-
Depreciation charge for the year- Discontinued Operations	-	-	336.33	79.97	11.13	0.10	3.94	0.03		431.50	

Transferred to Discontinued Operations	-	-	(336.33)	(79.97)	(11.13)	(0.10)	(3.94)	(0.03)		(431.50)	
Impairment	-	-	-	-	-	-	-	-		-	-
Amount adjusted from Retained earnings	-	-	-	-	-	-	-	-		-	-
Disposals	(2.61)	(883.20)	-	(2.34)	(1.31)	-	(0.62)	-		(890.08)	-
Accumulated depreciation as at 31 March, 2020	**-**	**34,765.46**	**623.97**	**1,212.82**	**256.54**	**63.87**	**106.81**	**180.45**	**790.17**	**38,000.09**	**-**
Net book value											
At 31 March 2020	-	67,949.76	1,857.33	1,655.21	69.48	16.83	63.97	42.37	929.58	72,584.52	77.35
At 31 March 2019	39.96	70,731.42	1,982.80	1,694.35	115.61	20.17	72.86	51.81	-	74,708.97	753.31
At 1 April 2018	40.61	69,483.97	6,926.44	2,520.61	258.74	30.42	99.73	51.81	-	79,412.32	2,190.48

	At 31 March 2020	At 31 March 2019	At 1 April 2018
Property, Plant & Equipment	72,584.52	74,708.97	79,412.32
Less : Provision for assets not in use		-	-
	72,584.52	74,708.97	79,412.32
Capital work in progress	77.35	753.31	2,190.48
Less : Provision against Capital work in progress	(64.59)	(64.59)	(31.91)
	12.76	688.72	2,158.57

NOTE 4
INTANGIBLE ASSETS

(Rupees in Lakhs)

Particulars	Computer Software	Total
Gross carrying value as at 1st April, 2018	**207.30**	**207.30**
Additions / (Deletion / Adjustment)	-	-
Gross carrying value as at 31 March, 2019	**207.30**	**207.30**
Additions / (Deletion / Adjustment)	-	-
Gross carrying value as at 31 March, 2020	**207.30**	**207.30**
Amortisation & Impairment		
Accumulated depreciation as at 31 March, 2018	**201.63**	**201.63**
Amortisation	3.07	3.07
Impairment	-	-
Accumulated depreciation as at 31 March, 2019	**204.70**	**204.70**
Amortisation	2.60	2.60
Impairment	-	-
Accumulated depreciation as at 31 March, 2020	**207.30**	**207.30**
Net book value		
At 31 March 2020	-	-
At 31 March 2019	2.60	2.60
At 1 April 2018	5.67	5.67

NOTE 5
INVESTMENTS

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	March 31, 2019	April 1, 2018
Non-current			
Unquoted equity instruments			
Investments at fair value through OCI (Fully paid up)			
National Flying Training Institute Pvt Ltd	289.34	289.34	289.34
28,93,353 (P.Y. 28,93,353) Equity shares of Rs.10/- e ach fully paid up)			
Less: Provision for Diminution in value of investments	(289.34)	(211.68)	(211.68)
Total	**-**	**77.66**	**77.66**
Aggregate carrying value of unquoted investments	289.34	289.34	289.34
Aggregate market value of unquoted investments	-	-	-
Aggregate amount of impairment in value of investments	289.34	211.68	211.68

NOTE 6
LOANS*

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	March 31, 2019	April 1, 2018
Non-Current			
(a) Security deposits			
Unsecured, considered good	400.28	374.06	364.62
Unsecured, considered doubtful	13.66	1.91	1.91
	413.94	375.97	366.53
Less: Provision for doubtful deposits	(13.66)	(1.91)	(1.91)
	400.28	374.06	364.62
(b) Loans to related party	-	-	-
(c) Other loans			
(i) Loans to employees			
Secured, considered good	115.12	139.70	209.77
Unsecured, considered good	4.01	25.78	25.78
Unsecured, considered doubtful	21.77	21.77	21.94
	140.90	187.25	257.49
Less: Provision for doubtful loans	(21.77)	(21.77)	(21.94)
	119.13	165.48	235.55
(ii) Loan to Public Sector Undertaking, Considered Doubtful	725.00	725.00	725.00
Less: Provision for doubtful loan	(725.00)	(725.00)	(725.00)
	-	-	-
Total	**519.41**	**539.54**	**600.17**

*There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at any time during the reporting period.

NOTE 7
OTHER FINANCIAL ASSETS

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	**March 31, 2019**	**April 1, 2018**
(Unsecured, considered good unless otherwise stated)			
Non-Current			
Interest accrued			
-Employee loans			
Secured, considered good	139.47	142.39	159.87
Unsecured, considered good	-	-	-
Unsecured,considered Doubtful	22.78	22.78	22.78
	162.25	165.17	182.65
Less: Provision for doubtful interest accrued on employee loans	(22.78)	(22.78)	(22.78)
	139.47	142.39	159.87
Interest Accrued from Related Party	-	-	-
Security Deposit	17.94	17.94	17.68
	157.41	**160.33**	**177.55**
Current			
Interest accrued on:			
- Fixed deposit	240.88	557.49	512.71
- Employees' Loans			
Secured, considered good	23.41	30.40	31.98
Unsecured, considered good	-	-	-
	23.41	30.40	31.98
Interest Accrued from Related Party	-	-	1.01
Insurance claim receivable	1,330.89	747.57	665.30
Less: Provision for Doubtful Advance	(52.75)	(52.75)	(5.00)
	1,278.14	694.82	660.30
Fixed deposit accounts / Current accounts with Banks	52.75	50.00	47.83
(Against amount received from DGCA for Project, including Interest accrued)			
Contract Assets	1,096.80	1,209.15	729.22
Less : Provision for Expect Credit Losses	(812.44)	-	-
	284.36	1,209.15	729.22
Others	173.54	273.77	118.01
Less : Provision for Doubtful from Others	(9.98)	-	-
	163.56	273.77	118.01
	2,043.10	**2,815.63**	**2,101.07**
	2,200.51	**2,975.96**	**2,278.62**

NOTE 8
OTHER ASSETS*

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	March 31, 2019	April 1, 2018
Non-Current			
Capital Advances	-	-	3,252.09
Advances to others			
Unsecured, considered good	13.98	53.68	40.06
Unsecured, considered doubtful	65.11	87.71	87.71
	79.09	141.39	127.77
Less: Provision for doubtful advances	(65.11)	(87.71)	(87.71)
	13.98	53.68	40.06
Advances Income tax (Net of provisions)	6,774.15	7,539.22	6,959.91
Less :Provision for doubtful Advances	(95.53)	(67.58)	(34.98)
	6,678.62	7,471.64	6,924.93
Prepaid expense	2.30	2.81	3.54
Other receivables	27.40	206.82	162.77
Less: Provision for doubtful receivables	(2.92)	(2.92)	(2.92)
	24.48	203.90	159.85
Total	**6,719.38**	**7,732.03**	**10,380.48**
Current			
Advances to others			
Unsecured, considered good	1,635.43	5,080.00	1,333.34
Unsecured, considered doubtful	127.12	82.31	82.85
	1,762.55	5,162.31	1,416.19
Less: Provision for doubtful advances	(127.12)	(82.31)	(82.85)
	1,635.43	5,080.00	1,333.34
Unsecured, considered good			
'Balance with statutory authorities	5,016.98	5,293.51	2,320.71
Less: Provision for doubtful advances	(32.65)	(32.65)	(32.65)
	4,984.33	5,260.86	2,288.06
MAT Credit entitled	-	-	2,784.06
Less: MAT Credit Availed	-	-	(2,784.06)
	-	-	-
'Prepaid expense	960.06	1,480.25	788.67
Others	276.89	1.58	3.87
Total	**7,856.71**	**11,822.69**	**4,413.94**

*There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at any time during the reporting period.

NOTE 9
INVENTORIES

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	**March 31, 2019**	**April 1, 2018**
(Certified and valued by the management)			
Stores & Spares	8,802.25	8,675.48	8,226.46
Goods under inspection	196.02	49.49	14.95
Less: (i) Provision for Non moving stores & spares	(3,404.84)	(3,333.81)	(3,132.85)
(ii) Provision for shortage of inventory	(96.75)	(99.03)	(72.02)
(iii) Provision for Impairment in value	**(453.14)**	**(453.14)**	**(453.14)**
	5,043.54	4,838.99	4,583.40
Repairable & Rotables Spares	1,575.57	1,575.57	1,575.57
Less: (i) Obsolescence Reserve	(1,436.26)	(1,436.26)	(1,436.26)
(ii) Provision for impairment in value	(139.31)	(139.31)	(139.31)
	-	-	-
Test tools equipment (at Cost)	473.72	472.05	444.33
Less: Provision for Impairment	(425.80)	(425.72)	(425.56)
	47.92	46.33	18.77
Gem Modules	501.37	501.37	501.37
Less: (i) Obsolescence Reserve	(447.21)	(447.21)	(447.21)
(ii) Provision for impairment in value	(54.16)	(54.16)	(54.16)
	-	-	-
Goods in transit (at cost)	-	50.57	31.78
Aviation Turbines Fuel (at cost)	15.55	16.36	15.29
Total	**5,107.01**	**4,952.25**	**4,649.24**

NOTE 10
TRADE RECEIVABLES

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	March 31, 2019	April 1, 2018
Unsecured, considered good	16,703.37	16,869.88	14,707.69
Doubtful	7,985.31	7,676.77	5,407.39
	24,688.68	24,546.65	20,115.08
Less: Allowance for Doubtful Debt / Expected Credit Losses	(7,985.31)	(7,676.77)	(5,407.39)
Total	**16,703.37**	**16,869.88**	**14,707.69**

(i) Trade receivables are generally non-interest bearing and are generally on terms of 30 to 90 days.

(ii) No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director and his/her relatives are director, partner or a member.

(iii) Before accepting any new customer, the Company assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed annually.

(iv) Of the trade receivable balance as at March 31, 2020 Rs.13088.97 Lakhs is due from five customers (as at March 31, 2019 Rs.16461.62 Lakhs were due from ten customers , as at April 1 ,2018 Rs.11338.09 Lakhs were due from four customers). There are no other customer who represent more than 5% of the total balance of trade receivable.

NOTE 11
CASH AND CASH EQUIVALENTS

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	March 31, 2019	April 1, 2018
11.1 Balances with banks:			
- On current account	2,859.10	1,091.50	874.06
- Export earning foreign currency account	1,091.52	85.68	1,070.20
- Flexi deposit accounts	1,409.37	939.10	2,357.51
- Fixed deposit with original maturity of less than 3 months	-	-	-
Less: Temporary Bank Overdraft	-	(38.74)	(459.70)
Cash on hand	5.45	8.69	9.14
Total	**5,365.44**	**2,086.23**	**3,851.21**
11.2 Other bank balances			
- Fixed deposit accounts	2,365.10	8,222.24	27,924.06
(Original maturity more than 3 months)			
- Margin money with banks	4,064.59	3,277.98	2,261.00
Total Other bank balances	**6,429.69**	**11,500.22**	**30,185.06**
Total	**11,795.13**	**13,586.45**	**34,036.27**

NOTE 12
LOANS

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	**March 31, 2019**	**April 1, 2018**
Current			
Loans to related parties	-	-	-
Others			
- Loans & Advances to employees			
Secured, considered good	180.20	143.77	52.98
Unsecured, considered good	228.63	566.98	475.08
Unsecured, considered doubtful	14.46	62.77	40.83
	423.29	773.52	568.89
Less: Provision for doubtful loans & advances	(14.46)	(62.77)	(40.83)
	408.83	710.75	528.06
Total	**408.83**	**710.75**	**528.06**

*There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at any time during the reporting period except Rs.2.82 Lakhs (P.Y. Rs. Nil) receivable from Key Managerial Personnel. of the company.

NOTE 13
CURRENT TAX ASSETS & LIABILITIES

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	**March 31, 2019**	**April 1, 2018**
Current tax assets (Net)	1,505.00	823.49	1,281.00
Current tax liabilities (Net)	-	-	(566.26)
Total	**1,505.00**	**823.49**	**714.74**

(a) 'The major components of income tax expenses for the years ended March 31, 2020 , March 31, 2019 & as at April 1, 2018 are:

Profit or loss section:

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	**March 31, 2019**	**April 1, 2018**
Current income tax:			
Current income tax charge	-	-	566.26
Adjustments in respect of current income tax of previous year	191.21	(10.26)	(3.98)
Deferred tax:			
Relating to origination and reversal of temporary differences	(7,721.26)	(2,906.31)	(1,318.71)
	(7,530.05)	(2,916.57)	(756.43)

OCI section:

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	March 31, 2019	April 1, 2018
Unrealised gain / (loss) on FVTOCI equity securities	-	-	-
Net loss / (gain) on Diminution in value of Investment	(24.23)	-	(9.24)
Net loss / (gain) on remeasurements of defined benefit plans	(205.57)	(58.62)	58.51
Income tax charged to OCI	**(229.80)**	**(58.62)**	**49.27**

(b) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	March 31, 2019	April 1, 2018
Accounting profit before tax	(9,838.16)	(9,275.56)	1,173.06
Income tax on above @ 15.60% (March 31, 2019: 19.24%, April 1, 2018 : 21.3416%)	-	-	250.35
Add: Tax Effect of Expenses that are not deductible in determing Book profit			
Non-deductible expenses for tax purposes:			
- Provision for Doubtful/Debts & Advance	-	-	103.89
- Provision for Non Moving /Shortage of Inventory	-	-	35.19
- Remeasurement of the defined benefit Obligation shown in OCI	-	-	30.47
- Expenses / Provision not allowed under the Provisions Income Tax	-	-	-
- Change in Profit before tax for the F Y 2015-16 due to Ind-AS effect and component Accounting	-	-	-
- Tax effect of prior period items Charged to retained earning	-	-	146.36
- Interest on Income Tax U/S 234(B)& 234 (C) under Income Tax Act 1961	-	-	-
Income tax expenses reported in the statement of profit and loss	**-**	**-**	**566.26**

NOTE 14.1
EQUITY SHARE CAPITAL

(Rupees in Lakhs, except as otherwise stated)

Particulars	As at		
	March 31, 2020	March 31, 2019	April 1, 2018
Share capital			
(A) Authorised, Issued, Subscribed and paid-up share capital and par value per share			
Authorised Capital			
5,60,000 (PY 5,60,000) Equity Shares of RS.10,000/- each	56,000.00	56,000.00	56,000.00
Issued Capital, Subscribed & Fully paid up			
5,57,482 (PY 5,57,482) Equity shares of Rs.10,000/- each	55,748.20	55,748.20	55,748.20
Paid up capital			
5,57,482 (PY 5,57,482) Equity shares of Rs.10,000/- each	55,748.20	55,748.20	55,748.20
	55,748.20	**55,748.20**	**55,748.20**

(B) Reconciliation of numbers of Equity Shares outstanding at the beginning and at the end of the year

(Rupees in Lakhs, except as otherwise stated)

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Number of shares outstanding at the beginning of the period	557,482	55,748.20	557,482	55,748.20	245,616	24,561.60
Number of shares outstanding at the end of the period	557,482	55,748.20	557,482	55,748.20	557,482	55,748.20
Changes during the year	-	-	-	-	**311,866**	**31,186.60**

(C) Rights, preferences and restrictions attaching to various classes of shares

Class of shares	Terms, rights attached to equity shares
Equity	The rights, preferences and restrictions attaching to each Ordinary shares of the company have a par value of Rs. 10,000 per share and rank class of shares including restrictions on the distribution of pari passu in all respects including voting rights and entitlement to dividend and the repayment of capital.

(D) Details of shareholder, holding more than 5% shares

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
President of India	284,316	51%	284,316	51%	284,316	51%
ONGC Ltd	273,166	49%	273,166	49%	273,166	49%

NOTE 14.2
OTHER EQUITY

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	**March 31, 2019**	**April 1, 2018**
General reserve	2,050.00	2,050.00	2,050.00
Retained earnings	39,688.80	42,498.65	50,162.00
Reserve for equity instruments through other comprehensive income	(95.65)	(42.22)	(42.22)
Reserve for debt instruments through other comprehensive income	-	-	-
Share Application Money Received Pending Allotment	-	-	-
Other Reserves	(337.29)	116.01	245.28
Total	**41,305.86**	**44,622.44**	**52,415.06**

NOTE 15
BORROWINGS

(Rupees in Lakhs)

Particulars	Maturity	As at		
		March 31, 2020	**March 31, 2019**	**April 1, 2018**
Non-current borrowings				
Secured Term loans				
- NTPC Ltd.	April,2022	853.10	1,323.52	1,928.19
Total		**853.10**	**1,323.52**	**1,928.19**
The maturity of borrowings is summarized as under:				
-Not later than one year		739.86	604.67	569.54
		739.86	**604.67**	**569.54**
Current maturities of Long term Debt				
-Later than one year and not later than five years		853.10	1,323.52	1,928.19
-Later than five years		**853.10**	**1,323.52**	**1,928.19**

NOTE 16
PROVISIONS

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	**March 31, 2019**	**April 1, 2018**
Non Current			
Provision for employee benefits			
- Post retirement medical benefit scheme	1,733.18	1,349.01	1,114.13
- Earned leave	1,435.83	1,327.98	1,454.77
- Half Pay leave	724.29	775.15	470.58
- Others	19.75	18.42	18.19
Total	**3,913.05**	**3,470.56**	**3,057.67**

NOTE 17
DEFERRED TAX LIABILITIES

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	March 31, 2019	April 1, 2018
Deferred taxes liabilities (Net)	9,328.91	17,280.79	20,245.74
	9,328.91	**17,280.79**	**20,245.74**

(a) The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	March 31, 2019	April 1, 2018
Deferred income tax liabilities:			
- Accelerated depreciation for tax purposes	19,157.60	22,691.29	25,196.31
Total deferred income tax liabilities	**19,157.60**	**22,691.29**	**25,196.31**
Deferred income tax assets:			
- Employee benefits	2,431.82	2,667.80	2,223.02
- Non-moving inventory	2,014.73	1,071.05	1,119.91
- Provision for diminution in value of investment	90.27	66.04	73.97
- Carried forward unabsorbed depreciation	3,251.92	-	-
- Doubtful debt/advances	1,532.97	1,166.59	812.31
- Prior Period Adjustment identified in the year of Transition	205.42	410.85	690.22
- Lease Liability	272.56	-	-
- Ind AS 116 adjsurment in SOCE	0.82	-	
- Provision for Loss at Lakshadweep & Others	28.17	28.17	31.14
Total deferred income tax assets	**9,828.69**	**5,410.50**	**4,950.57**
Deferred income tax assets after set off	**-**	**-**	**-**
Deferred income tax liabilities after set off	**9,328.91**	**17,280.79**	**20,245.74**

(b) Reconciliation of deferred income tax liabilities (Net)

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	March 31, 2019	April 1, 2018
Opening balance as on 1 April			
Tax (income)/expenses during the period recognized in profit or loss	(7,721.26)	(2,906.31)	(1,318.71)
Tax (income)/expenses during the period recognized in OCI	(229.80)	(58.62)	49.27
Closing balance as on 31 March	**(7,951.06)**	**(2,964.93)**	**(1,269.44)**

NOTE 18
OTHER FINANCIAL LIABILITIES

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	March 31, 2019	April 1, 2018
Non-Current			
Security deposits / Earnest Money Deposit	42.56	33.57	74.02
Lease Liabilities	108.02	-	-
	150.58	33.57	74.02
Current			
Current Maturities of Long Term Debt	739.86	604.67	569.54
Payable on purchase of Fixed Assets	7.04	86.21	15.51
Payables for Capital Expenses	19.01	19.01	19.02
Payable to Employees*	3,470.92	134.42	80.40
Security/ Earnest money deposit	102.28	75.82	116.27
Lease Liabilities	765.56	-	-
Advance from DGCA Against Project (including interest)	1,213.84	1,210.78	1,208.61
Less: Amount spent on project	(1,160.77)	(1,160.77)	(1,160.77)
	53.07	50.01	47.84
	5,157.74	970.14	848.57
Total	**5,308.32**	**1,003.71**	**922.59**

* Payable to Employees includes Rs.3.52 Lakhs (P.Y. Rs.0.96 Lakhs) payable to Key Managerial Personnel of the company.

NOTE 19
TRADE PAYABLES*

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	March 31, 2019	April 1, 2018
Current			
Outstanding dues of micro & small enterprises	29.61	18.71	-
Outstanding dues of trade payables other than micro & small enterprises	4,003.85	5,275.33	11,016.45
Total	**4,033.46**	**5,294.04**	**11,016.45**

*Trade payables are non-interest bearing and are normally settled within 120 days.

NOTE 20
OTHER LIABILITIES

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	March 31, 2019	April 1, 2018
Non Current			
	-		
	-	-	-
Current			
Security/ Earnest money deposit	107.96	83.93	78.39
Contract Liability	797.61	1,044.11	383.25
Statutory Liabilities	2,139.32	2,305.47	1,986.77
Other Payables	1,828.00	2,290.69	1,915.08
	4,872.89	5,724.20	4,363.49
Total	**4,872.89**	**5,724.20**	**4,363.49**

NOTE 21
PROVISIONS

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2020	March 31, 2019	April 1, 2018
Current			
Employee benefits:			
- Post retirement medical benefit scheme	3.14	25.27	35.67
- Earned leave	307.69	193.56	124.83
- Half Pay leave	112.71	89.88	53.36
- Pension	-	40.74	2.75
- Gratuity	581.86	270.05	652.58
- Others	2,875.84	4,667.90	3,087.40
	3,881.24	5,287.40	3,956.59
Provision for Loss at Lakshadweep	89.12	89.12	89.12
Provision for Corporate Social Responsibility	204.62	205.78	220.33
Provision for Loss at Daman	1.16	1.16	-
Total	**4,176.14**	**5,583.46**	**4,266.04**

NOTE 22
REVENUE FROM OPERATION

(Rupees in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rendering of services		
Helicopter Hire Charges	35,662.39	38,101.09
Less: Deduction for Non-Provision of Helicopters (AOG)	(1,434.47)	(1,282.26)
	34,227.92	36,818.83
Other operating revenues		
Income from operations & maintenance contracts	2.32	13.10
Training fee & other recoveries	202.92	188.65
Heliport Development Consultancy	160.00	1,095.00
	365.24	1,296.75
Total	**34,593.16**	**38,115.58**

NOTE 23
OTHER INCOME

(Rupees in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income:		
- Deposits with Banks	633.09	1,179.96
- Loans to Employees	16.78	19.66
- Other	100.59	405.19
	750.46	1,604.81
- Provisions no longer required- written back	413.25	527.05
- Liquidated damages (Purchase)	107.14	16.92
- Profit on sales of Fixed Assets	-	1.61
- Exchange fluctuations (Net)	991.41	1,064.76
- Miscellaneous Income	826.54	68.85
Total	**3,088.80**	**3,284.00**

NOTE 24
HELICOPTER OPERATIONAL & MAINTENANCE EXPENSE

(Rupees in Lakhs)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Helicopter Maintenance expenses	6,110.10	6,237.57
Fuel expenses	1,879.73	2,540.45
Insurance expenses	2,873.51	2,956.17
Landing, Parking and other expenses	368.13	365.07
Helicopter Lease charges	704.62	936.84
Liquidated damages	1,676.45	2,200.14
Royalty /Commission to Shrine Board	0.01	24.82
Provision for Non-Moving Inventory/ Life Expired Items	71.04	200.95
Provision for Impairment of Fixed Assets	702.61	57.85
Fixed Assets written off	170.08	874.22
Storage, Handling & Demurrage Charges	50.34	69.75
Freight, Transportation & Cartage	88.74	100.40
Other operating expenses	76.22	81.84
Total	**14,771.58**	**16,646.07**

NOTE 25
EMPLOYEE BENEFITS EXPENSE

(Rupees in Lakhs)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Salaries, Wages & other benefits	16,250.83	15,678.67
Contribution to Provident, Pension & Gratuity fund	1,489.00	1,254.29
Staff welfare	47.08	52.08
Other Staff expenses	229.36	205.06
Total	**18,016.27**	**17,190.10**

NOTE 26
FINANCE COST

(Rupees in Lakhs)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Interest	162.96	141.62
Interest on Lease Liabilities	121.65	-
Total	**284.61**	**141.62**

NOTE 27
DEPRECIATION & AMORTIZATION EXPENSE

(Rupees in Lakhs)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Depreciation on Tangible Assets	7,948.99	7,580.50
Amortisation of Intangible Assets	2.60	3.07
Amortisation of ROU Assets	790.17	-
Total	**8,741.76**	**7,583.57**

NOTE 28
OTHER EXPENSES

(Rupees in Lakhs)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Repairs & Maintenance		
-Building	40.23	53.96
-Equipment	69.97	91.29
-Others	99.95	110.99
	210.15	256.24
Rent	287.76	1,457.70
Loss on modification of Lease	8.73	-
Travelling & Conveyance	1,924.59	1,841.04
Crew & Staff Training	603.12	518.70
Bank charges	42.97	47.32
Electricity & Water expenses	188.49	209.51
Telephone, Fax & Postage	70.65	85.93
Advertisement & Publicity	18.58	36.91
Printing & Stationery	64.11	63.24
Vehicle Running & Maintenance	23.79	31.00
Heliport Development Expenses- (RCS)	104.11	689.20
Training Institute Expenses	109.35	50.92
Auditors Remuneration		
-Statutory Audit Fees	23.76	13.98
-For other matters	1.10	1.63
-Reimbursement of expenses	1.64	1.13
	26.50	16.74
Rates, Fees & Taxes	197.99	750.70
Impairment of Debtors & Advances	1,232.21	2,349.73
Provision for Loss at Detachment	-	1.16

Corporate Social Responsibility Expenses	-	48.31
Loss on Sale of Assets	-	2.28
Insurance Expenses	46.28	41.59
Other expenses	546.52	615.54
Total	**5,705.90**	**9,113.78**

NOTE 29
EXCEPTIONAL ITEMS

(Rupees in Lakhs)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
	-	-
Total	**-**	**-**

NOTE 30
OTHER COMPREHENSIVE INCOME

(Rupees in Lakhs)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Employees Benefits Expenses	(658.87)	(187.89)
Provision for Diminution in Value of Investments	(77.66)	-
Total	**(736.53)**	**(187.89)**

NOTE 31
EARNINGS PER SHARE (EPS)

(Rupees in Lakhs)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Profit/(Loss) attributable to equity holders on Continued Operations	(2,814.84)	(6,488.26)
Basic EPS (Rs.)	(505)	(1,164)
Diluted EPS (Rs.)	(505)	(1,164)
Profit/(Loss) attributable to equity holders on Discontinued Operations	(499.93)	(561.23)
Basic EPS (Rs.)	(90)	(101)
Diluted EPS (Rs.)	(90)	(101)

32. ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

(Annexed to and forming part of Annual Accounts for the year ended 31 March, 2020)

I. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account / investments (net of advances paid) and not provided for: -

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Capital commitments	445.07	445.07

II. Contingent Liabilities

a) Guarantees given

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Counter guarantees given to Banks	3538.16	3277.98

b) Letters of Credit -

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Letters of Credit	116.70	711.67

c) Tax Contingencies –

Amounts in respect of demands assessed by revenue authorities on the company, in respect of income tax, which are in dispute, have been tabulated below:

i. Income Tax

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Income Tax demands contested by the Company at ITAT/ CIT(Appeals)	11209.06	5475.61

The income tax department has withheld aforesaid amounts from amount deposited against demands/ refunds due to the Company for various years. In many cases, Income tax demands at the time of initial assessment by the assessing officer have been waived off by the Appellate authorities. Most of the tax demands relate to interest payable on Government of India loan which are pending before ITAT. In this connection reference is invited to Note no. III.

ii. Value Added Tax -

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Demand Notice for payment of VAT for the period 2006-07 to 2009-10 including penalty & interest	51509.64	49479.89

The demand relates to financial years 2006-07 to 2009-10 for transfer of right to use helicopters by some of the customers raised by Sales Tax Department of Delhi.

The Company had replied that since it is paying service tax on such transactions, demand for payment of VAT does not arise. The matter was finally heard by Hon'ble VAT Tribunal Delhi on 15.5.2019 wherein order was reserved. Subsequent to the above, the Judicial Member who was supposed to pass the order has retired without passing the same. Now, again the matter will be heard afresh and the next date of hearing is yet to be notified by the department.

iii. Service Tax -

Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Show Cause Notice from Service Tax Department for the period April, 2009 to June, 2017	5869.53	2536.28

Show Cause Notice relates to the period April, 2009 to June, 2017 from the service tax department. Company is contesting against the show cause notice issued by the Service tax department with Commissioner of Service Tax for Demand Notice of Rs.18.59 Lakhs, at Tribunal for Demand Notice of Rs.2431.09 Lakhs and for Demand Notice of Rs.541.63 Lakhs adjudication is awaited, Show Cause cum demand Notice dated 30.10.2019 has been received for non-payment of service tax of about Rs.2878.22 Lakhs against Helicopter provided on lease to North Eastern States for the period 2014-15 to 2016-17 however, the company expects that there will be no significant impact on the results of operations or cash flows, based on opinion received from a consultant.

Further, the management is of the opinion that Mega Exemption Notification No 12/2017, under CGST Act is applicable to the company, hence, no GST is being charged by the company for its operations in North Eastern States except in contracts with State Government of Assam, Oil India etc.

d) Litigations -

(Rupees in Lakhs)

	Particulars	31 March, 2020	31 March, 2019
i)	Court cases / cases under Arbitration	2530.29	5404.08
ii)	Others Matters	836.07	423.13

e) The Company's pending litigations comprise of claims against the company and proceedings pending with tax/statutory/Government authorities. The company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed contingent liabilities, wherever applicable, in its financial statements. The company does not expect outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of the above are determinable only on receipt of judgments/decisions from various forums/authorities.

III. Claim of Government of India

In the year 1986, the Company had acquired a fleet of 21 Dauphin and 21 Westland Helicopters at a project cost of Rs. 25090.00 Lakhs which was to be funded by the Government of India (GoI) as its contribution to the equity of the Company. However, the Company was provided with equity amounting to Rs. 11376.00 Lakhs only which included Rs. 2450.00 Lakhs equity contribution from ONGC. The company utilized such capital contribution along with Rs. 622.97 Lakhs from internal resources and utilized such capital contribution towards the projected cost leaving a balance of Rs. 13091.03 Lakhs. The balance consideration of Rs. 13091.03 Lakhs was paid by Government of India to the suppliers of helicopters and treated as amount due to Government of India. The Company has accounted for Rs. 33931.19 Lakhs towards interest on said dues / liability upto 31.03.2001 and has not made any provision towards interest after 31.03.2001 since the Ministry of Finance has confirmed total dues recoverable from the Company upto 31.03.2016 at Rs 47022.22 Lakhs representing principal of Rs 13091.03 Lakhs and interest of Rs 33931.19 Lakhs. The Company had made representation to the Govt. of India through the Ministry of Civil Aviation (MOCA) from time to time for waiver of said liability and accrued interest on the basis that the project for import of 42 helicopters, the whole amounts was to be funded by GoI through equity contribution. In this connection the Company again submitted details of the proposal in January 2016 to MOCA for taking up the matter with Ministry of Finance. In this regard, cabinet committee Note (CCN) was put up by Ministry of Civil Aviation to cabinet for its consideration.

Finally, long awaited decision was received during the F Y 2016-17 whereby the Ministry of civil aviation vide letter dt.01.12.2016 conveyed decision of the cabinet approving settlement of the claim of Ministry of Finance on account of import of westland helicopters by providing budgetary provision of Rs.13091.03 Lakhs to Pawan Hans Ltd. towards repayment of Rs.13,091.03 Lakhs to the Government and freezing of interest at 01.04.2001 level and waiving of Rs.33,931.19 Lakhs dues of Pawan Hans Ltd towards Ministry of Finance. Accordingly, Ministry of Civil Aviation vide sanction order dated 18.01.2017 conveyed sanction of Rs.13091.03 Lakhs to Pawan Hans Ltd as budgetary provision as equity investment in Pawan Hans Ltd for the year 2016-17. This amount has been used by Pawan Hans Ltd for making payment towards principal amount of dues of Rs.13091.03 Lakhs into the account of CAAA at RBI. The said amount was transferred to Pawan Hans Ltd account on 20.01.2017 by Ministry of civil aviation. Thereafter, Rs.13091.03 Lakhs was deposited into the account of CAAA at RBI on 04.02.2017 towards settlement of the claim of Ministry of Finance.

IV. Disposal of Westland assets

a) Subsequent to the grounding of Westland fleet, the Government of India conveyed its decision on 18th January, 1993 that the entire Westland fleet, together with the related inventory may be offered for sale through global tender and that the sale proceeds may be made available for utilization of poverty alleviation programmes with mutual consultation between the Governments of India and the Government of United Kingdom. However, consequent to an unfavorable response to such global tender, the Government permitted the Company on 12th May, 1994 to dispose of the Westland assets through negotiations with parties which may be interested in purchasing the same. The Government of India also appointed a Steering Committee to oversee the disposal of Westland assets.

b) Pending disposal of the Westland helicopters (including one damaged helicopter) and the related inventory, these assets have been stated at their book value aggregating Rs. 2239.00 Lakhs. The Company had in the earlier years, as a matter of prudence, made 100% provision equivalent to the book value against possible losses on disposal of Westland assets. After adjusting the book value of Rs.723.00 Lakhs relating to disposal of such assets in 1999-2000, the residual provision of Rs.1516.00 Lakhs is being carried forward.

c) During the financial year 1999-2000, the Company had entered into an agreement with a UK firm AES Aerospace Ltd. with the Government approval for sale of Westland assets as a package deal for a lump sum price of Pounds Sterling 9, 00,000. It was agreed that the entire package should be lifted in not more than two consignments with payments corresponding to the approximate value of the consignment to be shipped. The first shipment was dispatched in December 1999 and the Company had realized sale consideration of Pounds Sterling 4, 50,000 (Rs.322.00 Lakhs) in January 2000, which was immediately deposited with the Government of India as per directions of the Administrative Ministry. The second shipment could not be dispatched in view of the dispute created by the Buyer. The Company had initiated arbitration proceedings against the Buyer in terms of the agreement for specific performance and recovery of damages for violation of various contractual obligations. However, in view of the buyer went into Liquidation due to poor financial status, the Hon'ble Supreme Court on 13th August 2012 disposed off the petition for arbitration.

d) Necessary accounting adjustment relating to the Westland assets sold (Cost Rs. 5146.00 Lakhs, W.D.V. Rs. 723.00 Lakhs) during the financial year 1999-2000 was made in the books of accounts of that year, treating the transactions carried out under first shipment as a completed sale. In the absence of complete quantitative details of inventory items sold and those collected from the Warehouse in Mumbai, these figures were considered on provisional basis. As the contract for sale of Westland assets was on lump-sum price basis, the loss on disposal of such items was determined by deducting the aggregate written down value of the 9 helicopters, test bed and inventory items sold under first shipment from the sale consideration of Pounds Sterling 4,50,000/- (Rs.322.00 Lakhs) in the absence of item-wise sale price. The same was accounted for during the financial year 1999-2000.

e) Part of the Westland helicopter lying at PHL's western region premises and the inventory items while under transfer during the financial year 1999-2000 from the Delhi office to Mumbai office of the Company by the appointed transporter of the Buyer, were diverted under the instructions of the Buyer and were lying in warehouse at Mumbai. The estimated initial acquisition cost of Westland inventory including capital items lying at Warehouse is Rs.3250.00 Lakhs (written down value- Rs.450.00 Lakhs). The SLP filed by warehousing company and the freight forwarders was dismissed by the Hon'ble Supreme Court in 2012. Thereafter, transfer of inventory items from the warehouse of Sagar Warehousing Corporation to company's western region was carried out. Such helicopters along with the remaining inventory items are lying with the Company (which are kept in boxes but not physically verified during the year) together forming part of the second shipment have been carried forward as per the book value of Rs.647.00 Lakhs though fully provided as per para IV-b) above. Request for reconstitution of the Steering Committee for disposal has been made to Ministry of Civil Aviation. The Ministry has directed for valuation report of the balance Westland assets and the Valuer had given value of Rs. 25.73 Lakhs. However, the Ministry has again vide letter dated 07.11.2014 directed for re-evaluation of these assets by other Valuer. The report of second Valuer has been received at Rs.26.53 Lakhs and the same has been submitted to MOCA, for reconstitution of steering committee for disposal.

V. Residential Flats/Quarters

a) The Company had constructed and capitalized 242 flats during 2002-2003 at a cost of Rs. 2270.68 Lakhs on land measuring 35,490 Sq mtrs at Juhu Airport given by Airport Authority of India (AAI) for a period of 25 years. The company has allotted 50 flats out of 242 flats to AAI as per joint development agreement in lieu of lease rentals for the said land and the cost of construction of such flats as estimated by the project architect amounts to Rs. 595.00 Lakhs.

b) The Company had purchased 6 residential flats in May 1998 for the employees from MHADA, Mumbai. Though the possession was taken based on the letter of allotment, the Company has on provisional basis, provided stamp duty and registration and is subject to final payment on the execution of the appropriate conveyance deed in favor of the society. Some of the societies have gone in litigation against MHADA in Mumbai High Court on the issue of differential pricing. However, in line with the requirement of Ind AS 37, the company has not provided for the stamp duty in their books at present value as on 31 March 2020. The company has sent letters to the Chief Collector, MHADA office for the current value of the stamp duty. However, we are yet to receive any response from the Chief Collector. If, and when, there is any need to increase the amount in the books of accounts post receipt of their reply, the same shall be done in the respective year.

c) As per the requirement of Ind AS 107 – Financial Instruments – Disclosures, the company is in the process of gathering all information needed for the disclosure and calculations for the same. The disclosures shall be mentioned once the information has been gathered and the company is in the position to disclose the same.

VI. Property, Plant & Equipment

a) Rotables and Repairable with gross cost of Rs.7846.78 Lakhs (March 31, 2019 Rs. 5373.97 Lakhs) and WDV of Rs. 4751.91 Lakhs (March 31, 2019 Rs. 2159.69 Lakhs) are lying with foreign equipment suppliers for repairs as at 31.03.2020. Out of these, Rotables with gross cost of Rs. 1559.54 Lakhs (March 31, 2019 Rs. 350.28 Lakhs) and WDV of Rs 1082.94 Lakhs (March 31, 2019 Rs. 113.30 Lakhs) have been received back after 31 March, 2020. Confirmation from concerned parties for remaining Rotables which are still lying with them has been obtained except rotables having gross cost of Rs.404.39 Lakhs (March 31, 2019 Rs. 57.06 Lakhs) and WDV of Rs.145.91 Lakhs (March 31, 2019 Rs. 31.38 Lakhs) lying abroad. Efforts are being made to receive the items duly repaired / overhauled by the Original Equipments Manufacturers (OEM).

b) The company is conducting physical verification of Fixed Assets in phased manner to cover all items over a period of three years. Physical verification of Fixed Assets was last conducted in FY 2016-17 and its reconciliation with fixed assets register is in progress.

c) The Company is of the opinion that since helicopters owned by the company are certified for airworthiness by DGCA on periodic/ annual basis and have earned revenue during the year under review, there is no impairment, except Rs. 702.61 Lakhs for five Dauphin N & one Bell 407 Helicopter (March 31, 2019 Rs. 25.18 Lakhs for one Bell 206L4 Helicopter).

d) The management is of the view that impairment testing of assets is not required, as the carrying value of its assets does not exceed their respective recoverable value.

VII. Inventories

1) On physical verification of inventories during the year following shortages/ excess were noticed.

(Rupees in Lakhs)

2019-2020		**2018-2019**	
Shortage	**Excess**	**Shortage**	**Excess**
28.48	3.35	30. 77	12.67

Appropriate adjustments have been made in the financial statements for the above amounts. However, reconciliations of physical balance and book records are in progress.

2) On review of inventory of Non-Moving stores, spares and consumables provision of Rs. 71.04 Lakhs (March 31, 2019 Rs. 200.95 Lakhs) has been made during the year under review as per the approved accounting policy.

3) The price trend in the Aviation Sector is different as compared to price trend in other industry, besides the sale/purchase price for pre-owned helicopter stores/spares/consumables is not directly available in the open market. Further, the aviation sector is growing rapidly while vendors in the market are very limited. Hence, the value of inventory has been accounted for on cost at moving weighted average price.

VIII. Secured Loans

(Rupees in Lakhs)

Sl. No.	Loan From	Limit Sanctioned / Date	Drawdown upto 31.3.2020	Repayment upto 31.3.2020	Interest rate (Monthly rest)	Payment Schedule	Secured by
1	NTPC Ltd.	5430.00 29/04/2010	5283.63	3690.67	6% per annum up to 18/06/2019 & and 12.20% per annum from 19/06/2019 to 27/11/2019 and 6% per annum from 01/12/2019 onwards.	Balance payable upto April, 2022	Hypothecation of Dauphin N3 helicopter

NTPC Vide its Letter No.01/CP/LH/ dt.18/04/2019 terminated the agreement /MOU and requested the company to repay its entire outstanding amount of borrowings not later than 18/06/2019 with applicable interest rate after which prevailing commercial interest rate which is 12.20% shall be applicable on the outstanding loan amount. The above agreement was revived on 28/11/2019 on same terms and conditions.

IX. Confirmations for balances as at 31st March 2020 from Trade Receivables, Trade Payables and Loans & Advances/ Deposits were circulated, but response received was minimal.

X. a) The management is in the process of reconciling figures of services / Sales and Services Availed/ Purchases reported in GST returns with those appearing in the books of accounts and GSTR-2A.

b) The company is in the process of adding additional places of business i.e. Rohini Heliport, Delhi, Guest House in CWG village & Guest House in Guwahati under respective GST Registration.

XI. Employees Remuneration and other benefits.

a) The Board of Directors in its 154th Board meeting had approved the license related allowances w.e.f. 01.04.2016 to Pilots and AMEs, so the provision of Rs. 1147.39 Lakhs was made in FY 2016-17. During the F.Y. 2017-18 , the cabinet note for approval for revising the additional license related allowance to Pilots and AMEs w.e.f. 01/01/2017 was put up to MOCA with time frequency of Pay revision as per DPE. Accordingly, a provision of Rs. 221.00 Lakhs for the period 01/01/2017 to 31/03/2017 had been retained in books of accounts, balance provision of Rs 926.39 Lakhs, out of provision of Rs. 1147.39 Lakhs made in FY 2016-17 was reversed in FY 2017-18 and provision of Rs 883.00 Lakhs per year has been made from F.Y. 2017-18 onwards for license related additional allowances to Pilots and AMEs.

b) Retirement Benefit Plans

1) The following table sets out status of retirement benefit plans recognized in the financial statements:-

(Rupees in Lakhs)

Particulars	2019-2020			2018-19		
	Opening Liability	Created/ Adjusted during the Year	Closing Liability	Opening Liability	Created/ Adjusted during the Year	Closing Liability
Earned Leave	1521.54	221.98	1743.52	1579.60	(58.06)	1521.54
Half Pay Leave	865.03	(28.03)	837.00	523.94	341.09	865.03
Post Retirement Medical Benefit Scheme.	1374.28	362.04	1736.32	1149.80	224.48	1374.28
Baggage Allowance upon Retirement	20.51	1.44	21.95	19.39	1.12	20.51
Pension	40.74	(40.74)	-	2.75	37.99	40.74
Gratuity	270.05	311.81	581.86	652.58	(382.53)	270.05
Total	**4092.15**	**828.49**	**4920.65**	**3928.06**	**164.09**	**4092.15**

2) Gratuity

i. Changes in present value of defined benefit obligation are as follows:

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Defined benefit obligation at the beginning of the year	4737.77	4412.42
Acquisition adjustment IN		-
Current service cost	161.70	158.32
Interest cost	360.07	335.34
Actuarial gain/(loss)	420.12	113.79
Benefit paid	(603.82)	(282.10)
Defined benefit obligation at the end of the year	5075.84	4737.77

ii. Changes in fair value of plan assets are as follows:

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Fair value of plan assets at the beginning of the year	4468.22	3760.30
Actual return on plan assets	360.49	337.91
Contribution by employer	269.54	652.12
Benefit paid	(603.82)	(282.10)
Fair value of plan assets at the end of the year	4494.43	4468.23

iii. The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

Particulars	31 March, 2020 (%)	31 March, 2019 (%)
Govt. securities / special deposit with RBI	66.72	65.05
High quality corporate bonds	29.43	31.36
Insurance companies	Nil	Nil
Cash and cash equivalents, Bank balance	0.93	1.59
Term deposits	Nil	Nil
Equity (Mutual Funds)	2.92	2.00

iv. Details of defined benefit obligation

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Present value of defined benefit obligation	5075.84	4737.77
Fair value of plan assets	4494.43	4468.23
Benefit liability	(581.41)	(269.54)

v. Expenses recognized in the statement of profit and loss:

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Current service cost	161.70	158.32
Interest cost on benefit obligation	20.49	49.56
Net expense for the period	182.19	207.88

vi. Expenses recognized in the Other Comprehensive Income (OCI):

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Actuarial Gain /(losses) on Obligation for the period	(420.12)	(113.79)
Actuarial gain/(loss) on Plan Assets	20.90	52.12
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Net Gain /(Losses) for the period recognized in OCI	(399.22)	(61.67)

vii. The principal assumptions used in determining employee benefits are given below:-

Particulars	31 March, 2020	31 March, 2019
Discount Rate	6.23%	7.60%
Future cost increase /Salary escalation rate	6.00%	6.00%
Retirement age	60	60
Attrition rate:		
Age (years)		
Upto 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

The above information is certified by the actuary and relied upon by the auditors.

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The overall expected rate of return on plan assets is determined based on the market prices prevailing as on balance sheet date, applicable to the period over which the obligation is to be settled.

viii. Sensitivity Analysis

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Projected Benefit Obligation on Current Assumptions		
Delta Effect of +0.50% Change in Rate of Discounting	(225.84)	(110.71)
Delta Effect of -0.50% Change in Rate of Discounting	217.49	115.84
Delta Effect of +0.50% Change in Rate of Salary increase	226.08	35.80
Delta Effect of -0.50% Change in Rate of Salary Decrease	(217.95)	(37.23)

ix. **Maturity Analysis of projected benefit obligation**

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Projected Benefits Payable in Future Years From the Date of Reporting		
1st following year	679.26	591.35
2nd following year	590.27	86.26
3rd following year	585.87	341.18
4th following year	470.18	494.98
5th following year	688.42	466.31
6th following year	612.69	377.80
Beyond 6 years	1341.95	2379.88

x. **Amounts of current and previous periods are given as under:**

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Defined benefit obligation	5075.84	4737.77
Plan Assets	4494.43	4468.23
Surplus / (Deficit)	(581.41)	(269.54)

3) Post Retirement Medical Benefit Plan

i. **Changes in the present value of benefit obligation are as follows:**

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Present Value of obligation at the beginning of the year	1374.28	1149.80
Current service cost	40.62	44.33
Interest cost	104.45	87.39
Actuarial gain/(loss)	260.37	127.39
Past service cost	-	-
Benefit paid	(43.40)	(34.63)
Present value of obligation at the end of the year	1736.32	1374.28

ii. **Balance sheet and related analysis:-**

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Present Value of the Obligation at end	1736.32	1374.28
Fair Value of Plan Assets	-	-
Unfunded Liability /provision in Balance sheet	(1736.32)	(1374.28)
Unfunded liability recognized in Balance sheet	(1736.32)	(1374.28)

iii. Expenses recognized in the statement of profit and loss:

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Current service cost	40.62	44.33
Interest cost on benefit obligation	104.45	87.39
Net expense for the period	145.07	131.72

iv. Expenses recognized in the Other Comprehensive Income (OCI):

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Actuarial losses on Obligation for the period	(260.37)	(127.39)
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain/(loss) for the period on assets	-	-
Net expense for the period recognized in OCI	(260.37)	(127.39)

v. The principal assumptions used in determining employee benefits are given below:-

Particulars	31 March, 2020	31 March, 2019
Discount Rate	6.23%	7.60%
Future cost increase /Salary escalation rate	6.00%	6.00%
Retirement age	60	60
Attrition rate :		
Age (years)		
Upto 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

The above information is certified by the actuary and relied upon by the auditors.

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

vi. Sensitivity Analysis

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Projected Benefit Obligation on Current Assumptions		
Delta Effect of +0.50% Change in Rate of Discounting	(78.91)	(8.47)
Delta Effect of -0.50% Change in Rate of Discounting	78.58	81.27

4) Earned Leave Liability–

i. Changes in the present value of benefit obligation are as follows:

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Present Value of obligation at the beginning of the year	1521.54	1579.61
Current service cost	142.57	112.76
Interest cost	115.64	120.05
Actuarial gain/(loss)	306.76	243.51
Benefit paid	(343.00)	(534.39)
Present value of obligation at the end of the year	1743.51	1521.54

ii. Balance sheet and related analysis:-

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Present Value of the Obligation at end	1743.51	1521.54
Fair Value of Plan Assets	-	-
Unfunded Liability /provision in Balance sheet	(1743.51)	(1521.54)

iii. Expenses recognized in the statement of profit and loss:

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Current service cost	142.57	112.76
Interest cost on benefit obligation	115.64	120.05
Net actuarial (gain)/ loss recognized in the period	306.76	243.51
Net expense for the period	564.97	476.32

iv. The principal assumptions used in determining employee benefits are given below:-

Particulars	31 March, 2020	31 March, 2019
Discount Rate	6.23%	7.60%
Future cost increase /Salary escalation rate	6.00%	6.00%
Retirement age	60	60
Attrition rate :		
Age (years)		
Upto 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

The above information is certified by the actuary and relied upon by the auditors.

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

v. Sensitivity Analysis

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Projected Benefit Obligation on Current Assumptions		
Delta Effect of +0.50% Change in Rate of Discounting	(145.04)	(39.20)
Delta Effect of -0.50% Change in Rate of Discounting	153.27	41.20
Delta Effect of +0.50% Change in the Salary Increase	153.40	41.63
Delta Effect of -0.50% Change in the Salary Decrease	(145.34)	(39.96)

vi. Maturity Analysis of projected benefit obligation: From the Employer

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
1st following year	307.69	193.56
2nd following year	148.57	22.14
3rd following year	180.53	22.41
4th following year	124.03	23.97
5th following year	232.17	53.77
6th following year	197.26	176.46
Beyond 6 years	452.91	1029.24

5) Baggage Allowance

i. Changes in the present value of benefit obligation are as follows:

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Present Value of obligation at the beginning of the year	20.51	19.39
Current service cost	0.86	0.83
Interest cost	1.56	1.47
Actuarial gain/(loss)	(0.73)	(1.17)
Benefit paid	(0.25)	(0.02)
Present value of obligation at the end of the year	21.95	20.51

ii. Balance sheet and related analysis :-

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Present Value of the Obligation at end	21.95	20.51
Fair Value of Plan Assets	-	-
Unfunded Liability /provision in Balance sheet	(21.95)	(20.51)
Unfunded liability recognized in Balance sheet	(21.95)	(20.51)

iii. Expenses recognized in the statement of profit and loss:

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Current service cost	0.86	0.83
Interest cost on benefit obligation	1.56	1.47
Net expense for the period	2.42	2.30

iv. Expenses recognized in the Other Comprehensive Income (OCI):

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Actuarial gain /(losses) on Obligation for the period	0.73	1.17
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain/(loss) for the period on assets	-	-
Net expense for the period recognized in OCI	(0.73)	1.17

v. The principal assumptions used in determining employee benefits are given below:-

Particulars	31 March, 2020	31 March, 2019
Discount Rate	6.23%	7.60%
Future cost increase /Salary escalation rate	6.00%	6.00%
Retirement age	60	60
Attrition rate :		
Age (years)		
Upto 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

The above information is certified by the actuary and relied upon by the auditors.

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

vi. Sensitivity Analysis

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Projected Benefit Obligation on Current Assumptions		
Delta Effect of +0.50% Change in Rate of Discounting	(0.80)	(0.76)
Delta Effect of -0.50% Change in Rate of Discounting	0.80	0.78

6) Half Pay leave Liability

i. Changes in the present value of benefit obligation are as follows:

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Present Value of obligation at the beginning of the year	865.04	523.94
Current service cost	43.33	46.78
Interest cost	65.74	39.30
Actuarial gain/(loss)	(70.25)	307.85
Benefit paid	(66.85)	(52.83)
Present value of obligation at the end of the year	837.01	865.04

ii. Balance sheet and related analysis:-

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Present Value of the Obligation at end	837.01	865.04
Fair Value of Plan Assets	-	-
Unfunded Liability /provision in Balance sheet	837.01	(865.04)

iii. Expenses recognized in the statement of profit and loss:

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Current service cost	43.33	46.78
Interest cost on benefit obligation	65.74	39.30
Net actuarial (gain)/ loss recognized in the period	(70.25)	307.85
Net expense for the period	38.82	393.93

iv. The principal assumptions used in determining employee benefits are given below:-

Particulars	31 March, 2020	31 March, 2019
Discount Rate	6.23%	7.60%
Future cost increase /Salary escalation rate	6.00%	6.00%
Retirement age	60	60

Attrition rate :		
Age (years)		
Upto 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

The above information is certified by the actuary and relied upon by the auditors.

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

v. Sensitivity Analysis

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Projected Benefit Obligation on Current Assumptions		
Delta Effect of +0.50% Change in Rate of Discounting	(22.65)	(20.93)
Delta Effect of -0.50% Change in Rate of Discounting	26.38	21.81
Delta Effect of +0.50% Change in the Salary Increase	(27.44)	(20.93)
Delta Effect of -0.50% Change in the Salary Decrease	26.39	21.81

vi. Maturity Analysis of projected benefit obligation: From the Employer

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
1st following year	112.72	89.89
2nd following year	91.96	13.83
3rd following year	84.26	86.16
4th following year	56.02	89.07
5th following year	141.12	85.94
6th following year	130.73	58.98
Beyond 6 years	200.14	441.16

XII. Investment in Equity Share (unlisted) at cost - (Level 3 Investment)

The Company has invested Rs. 289.34 Lakhs during F.Y. 2009-10 towards equity contribution (unlisted) in National Flying Training Institute Pvt. Ltd. (NFTI), Gondia, Maharashtra. The investee company has accumulated losses of Rs. 8770.28 Lakhs against paid up share capital of Rs. 8368.40 Lakhs as on 31.03.2020 (Provisional unaudited Accounts). Considering huge accumulated Loss which is about 104.80% (March 31, 2018 - 73.16%) of Paid up share capital of the NFTI, the Company has made total provision for diminution in value of investment of Rs. 289.34 Lakhs till 31.03.2020 (March 31, 2019 Rs. 211.68 Lakhs).

XIII. Insurance Claims

a) On 28th June 2013 N3 helicopter Regn No VT-PHZ met with an accident, when the helicopter was on rescue mission in Uttarakhand from Mateli to Harshil. The financial claim amounting to Rs.1086.76 Lakhs upon completion of repairs to the helicopter has been submitted to M/s. New India Assurance Co. Ltd. for their assessment and further action. Subsequently as per the email dt.10th Sept, 2015 the surveyor had assessed the claim for Rs.733.45 Lakhs which is subject to settlement by the insurance company. The Insurance Company has rejected our claim based on a DGCA report of the incident. The company has explained vide letter dated 13 Auguzzst 2018 in detail probable reasons for the accident and has again requested the Insurance company to reconsider the issue and settle the claim. PHL has filed suit against M/s. New India Assurance Co. Ltd. before Hon'ble Delhi High Court with a prayer for directing Insurance company to pay Rs.812.74 Lakhs. The next date of hearing on the matter is on 23/10/2020 for completion of pleadings and admission/denial of documents.

b) On 03/10/2018, Bell 206L4 Helicopter VT-PHD (Sum Insured Value of Rs.875.00 Lakhs) took off from Padaum and had emergency landing at Kargiak in Zanskar beyond Leh. The claim of the same has been assessed as constructive total loss and the company has sent ''Release and Discharge Document'' and the claim is likely to be settled shortly.

XIV. Taxation

a) In view of taxable losses for the financial years ended 31.03.2007 to 31.03.2017, the Company had paid Minimum Alternate Tax (MAT) under section 115JB of the Income Tax Act, 1961 amounting to Rs. 13,343.44 Lakhs (March 31, 2019 Rs. 13,343.44 Lakhs). During the year under review, the Company has incurred taxable loss under normal provision as well as under section 115JB of Income Tax Act, 1961. Hence, tax liability works out to Rs. NIL. As on date the Company has available MAT credit of Rs. 10863.86 Lakhs which is adjustable in future against tax under normal provisions. However, MAT has not been accounted for on prudent basis, as the management is not certain of generating future taxable profit to adjust available MAT credit.

b) Breakup of advance tax net of provision of Rs. 8279.15 Lakhs (P.Y. Rs. 8362.71 Lakhs) has been shown under Non Current Advance Tax Rs.6678.62 Lakhs(PY Rs. 7471.64 Lakhs) excluding provision of Rs. 95.53 Lakhs (PY Rs. 67.58 Lakhs) made for invalid TDS certificates pertaining to assessment years 2004-05, 2005-06, 2006-07 , 2009-10 and 2010-11 under Current Tax Rs. 1505.00 Lakhs (P.Y. Rs.823.49 Lakhs) and under Current Liabilities Rs. NIL (P.Y. Rs. NIL Lakhs) which are as under:-

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Advance Tax including tax deducted at source	42,703.64	45,106.54
Provision for Income Tax	34,424.49	36,743.83
Net Amount of advance income tax paid	**8,279.15**	**8,362.71**

c) The amount of advance tax includes Rs. 6,132.78 Lakhs (March 31, 2019 Rs. 7192.77 Lakhs) relating to completed assessments upto the assessment year 2017-18 and Rs. 1212.87 Lakhs pertains to A.Y. 2018-19 & A.Y. 2019-20 in respect of which assessment is yet to be completed and balance advance tax of Rs. 700.06 Lakhs pertains to current financial year.

The refundable amount of aforesaid advance tax as on 31 March, 2020 amounting to Rs. 6,132.78 Lakhs upto the assessment year 2017-18 (March 31, 2019 Rs. 7192.77 Lakhs), is not quantifiable at this stage as these cases are pending with ITAT. Hence, net amount recoverable /adjustable towards refund from the Income Tax Department has been shown under "Non Current Assets" amounting to Rs.6,678.62 Lakhs (March 31, 2019 Rs. 7471.64 Lakhs) and balance amount of Rs. 1,505.00 Lakhs (March 31, 2019 Rs. 823.49 Lakhs) has been shown under ''Current Tax Assets".

The Company has filed appeals with the Income Tax Appellate Tribunal against disallowances made by the assessing officer and confirmed by the CIT (Appeals). These appeals mainly relate to Company's claim of interest payable to the Central Government/ interest on tax free bonds for the financial years 1996-97 to 2001-02.

XV. Heliport Project

The Government had approved building a Heliport at Rohini, New Delhi by the Company at an estimated cost of Rs. 6400.00 Lakhs (including cost of Land of Rs.1907.00 Lakhs which is in the name of MOCA) which was revised to Rs 9925.00 Lakhs on 07/06/2016 by MOCA due to additional items and contingencies for essential security, safety and operational infrastructure cost. The project is to be funded as under:-

a) Government equity towards 80% of the cost of infrastructure development aggregating to Rs. 6414.00 Lakhs.

b) Company contribution of Rs.1604.00 Lakhs being 20% of the project cost.

The Company had received Rs. 6414.00 Lakhs upto March, 2017 as equity contribution from GoI towards cost of the Heliport Project (Including Rs. 2814.00 Lakhs received from GoI (MOCA) in March 2017 as equity share capital).

Expenses incurred on the project till 31.3.2020 is summarized below:-

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Cost of land –Not Funded by GoI	7.01	7.01
Payment to consultants for designing and project planning	178.68	178.68
Expenses on boundary wall and R/A Bills payment to Contractor, Electricity Load Sanction fees etc.	5948.26	5948.26
Total	**6133.95**	**6133.95**

During the financial year 2016-17, Rohini Heliport started its operation from 28.02.2017. Therefore, Rs. 6133.95 Lakhs was provisionally capitalized on 28.02.2017 under different identifiable components following Component Approach. Further, as there is no lease agreement between the company and MOCA for Rohini Heliport Land, useful life as stated under Companies Act has been considered for respective identified components.

M/s Dineshchandra R. Agrawal Infracon Pvt. Ltd. (DRAIPL) had filed arbitration petition no.472/2017 in the Hon'ble Delhi High Court seeking appointment of nominee Arbitrator on account of failure of PHL to appoint as per their notice of claim for arbitration dated 15.3.2017 of Rs.1886.77 lakhs (nominating Shri Krishna Kant as its nominee arbitrator) in respect of construction work of Rohini Heliport. However, the said notice was withdrawn by the petitioner. On 23.11.2017 the High Court ordered PHL to nominate its nominee arbitrator. Accordingly PHL had nominated Retd. Justice J.D.Kapoor and the 2 arbitrators nominated Retd.Justice Usha Mehra as Presiding Arbitrator. The DRAIPL had filed its claim of Rs.2085.00 Lakhs and PHL filed its counter claim to Rs.2928.00 Lakhs against DRAIPL The award has been pronounced on 03/07/2019 substantially allowing the claims of claimant and partly allowing counter claims of PHL. PHL has filed objections against the Award before Hon'ble Delhi High Court and has obtained interims stay against the Award. Contingent Liability of Rs. 652.14 Lakhs (Net of retention money) has been included in Note No.32 (II(d)).

c) Further, due to disinvestment of Company which is under process PHL's Board of Directors, had approved to hive off Rohini Heliport in the board meeting held on 31st October, 2019. Discounted Operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations.

i) Assets and Liabilities as on 31 March 2020 and 31 March 2019 of Rohini Heliport are as under:-

(Rs. in Lakhs)

Particulars	2019-20	2018-19
Assets		
Property, Plant and Equipments	4,791.91	5219.85
Trade Receivable	44.89	47.02
Cash & Cash Equivalent	43.17	33.52
Other Current Assets	14.84	14.59
Total	**4894.81**	**5314.98**
Liabilities		
Other Non Current Financial Liabilities	2.27	3.81
Trade Payable	93.45	90.06
Other Current Liabilities	671.79	661.18
Total	**767.51**	**755.05**

ii) Income & Expenditure of Rohini heliport are as under:-

(Rs. in Lakhs)

Particulars	2019-20	2018-19
Income		
Revenue from Operation	233.08	200.21
Other Income	0.06	0.22
Total	233.14	200.43
Expenses		
Heliport Operation Expenses	73.04	73.46
Employees Benefits Expenses	117.17	106.99
Depreciation & Amortization Expenses	431.51	437.86
Other Expenses	111.35	143.34
Total	**733.07**	**761.65**
Net Profit	**(499.93)**	**(561.23)**

iii) **Cash Flow Statement of Rohini Heliport are as under –**

(Rs. in Lakhs)

	Particulars	2019-20	2018-19
Cash flow from Operating Activities			
	Net Profit Before Tax	(499.93)	(561.23)
	Depreciation and Amortization	431.50	437.86
	Allowances for Bad & Doubtful debts	6.70	9.16
Operating Profit Before Working Capital Charges		**(61.73)**	**(114.21)**
Changes in Assets and Liabilities			
	Trade Payables, Other Liabilities & Provisions	12.45	104.47
	Loans & Advances & Other Assets	(0.25)	(0.26)
	Trade Receivables	(4.57)	(39.28)
	Inter Unit Balance	67.31	(87.10)
Cash generated by Operating activities		**13.21**	**(136.38)**
Net Cash Flow From/(Used) in operating activities		**13.21**	**(136.38)**
Cash Flow from Investing Activities			
Purchase of property , plant & equipment		(4.06)	Nil
Adjustment in property, plant & equipment		1.04	Nil
Net Cash Flow From/(Used) in investing activities		**(3.56)**	**Nil**
Net Cash Flow From/(Used) in financing activities		**Nil**	**Nil**
Net Increase In/Utilisation of Cash and cash Equivalents(A+B+C)		**9.65**	**(136.38)**
Cash and Cash equivalents at the Beginning of the period		**33.52**	**169.90**
Cash and cash equivalents at the end of the period		**43.17**	**33.52**

It will also have consequential impact on Provision for tax and Deferred tax of the Company.

XVI. Helicopter Training Academy cum Heliport at Hadapsar, Pune -

The Company had been assigned responsibility of setting up a Helicopter Training Academy cum Heliport at the existing Gliding Centre at Hadapsar, Pune owned and controlled by the DGCA. Detailed project report was approved by MOCA. DGCA had released an amount of Rs. 1000.00 Lakhs for this purpose in April 2010. Expenses incurred upto 31.03.2020 out of the said advance is stated below:

(Rupees in Lakhs)

A	-Advance received from DGCA in April, 2010	1000.00	1000.00
	-Total interest accrued & earned	213.84	210.77
	Total fund	**1213.84**	**1210.77**
B	- Amount disbursed to NBCC	1134.09	1134.09
	- Amount incurred by the company towards project cost	26.68	26.68
	Total Disbursement/ expenditure	**1160.77**	**1160.77**

C	Balance available with bank		
	- In Current account	5.38	5.38
	- In Fixed Deposits	46.90	44.09
	- Interest accrued & other	0.47	0.53
	Total	**52.75**	**50.00**

XVII. Corporate Social Responsibility and Sustainable Development Fund

As per section 135 of the Companies Act, 2013 effective from 1st April, 2014, the company is required to spend, in every financial year, at least 2% of the average net profits of the Company earned for the three immediately preceding financial years in accordance with its CSR policy. Based on above, in F.Y. 2019-20 company is required to spend Rs. Nil (March 31, 2019 Rs. 59.50 Lakhs). In addition to above, provision amounting to Rs. 200.92 Lakhs (March 31, 2019 Rs. 200.92 Lakhs) has been carried forward from earlier years. During the current year, company has spent/committed Rs. Nil (March 31, 2019 Rs. 48.31 Lakhs) on CSR activities under the following heads:

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Swachh Bharat Abhiyan	Nil	Nil
Promotion of Education**	Nil	6.75
Healthcare	Nil	30.31
Conservation of natural resources	Nil	Nil
Training and skill development	Nil	11.25
Total	**Nil**	**48.31**

** A contract for promotion of education has been awarded to M/s Kalinga Institute of Social Science for the total value of Rs.6.75 lakhs and Rs.5.06 lakhs has been spent upto 31.03.2019 and provision of Rs.1.69 lakhs has been carried in books of accounts as committed liability under CSR.

Out of Balance unspent amount Rs.205.78 lakhs as on April 1, 2019, Rs.3.68 Lakhs was spent in financial year under review for purchase of accessories for medical van and Liquidation damages of Rs. 2.52 lakhs collected from supplier of medical van for delay delivery has been credited. Accordingly, the balance unspent amount of Rs. 204.62 Lakhs for the period upto 31.03.2020 will be spent in due course as per guidelines issued by the DPE dated 23.09.2011 and such further modifications issued from time to time.

XVIII. Obligation towards operating leases:-

Rental expenses & Helicopter Lease Charges of Rs. 1153.59 Lakhs (March 31, 2019 Rs. 2394.54 Lakhs) in respect of cancellable operating leases have been charged to the Statement of Profit and Loss. The Company has not entered into non-cancellable operating leases.

Disclosure of Operating Lease with HAL*:-

(Rupees in Lakhs)

Particulars	Not Later than One year	Later than one year but not later than five years	Later than five years
Dhruv Helicopter on Dry Lease from HAL (VT-HAQ** & VT-HAR)	310.73	-	-

* During the F Y 2019-20 Rs. 696.96 Lakhs (P Y –Rs. 936.84 Lakhs) have been charged to the Statement of Profit and Loss.

** VT-HAQ is under repair and available, due to which no lease disclosure of the same has been given.

Further, there is no underlying lease agreement between AAI and the Company for Lease of

XIX. Leases :-

The company has applied Ind AS 116 during the year using modified retrospective approach, under which the cumulative effect of Rs.1.81 lakhs(net of deferred tax) on initial application is recognized in retained earnings as at April 1 , 2019.

Right of use assets of Rs. 1711.15 lakhs and lease liabilities of Rs.1713.77 Lakhs have been recognized as on 1 April 2019.

A. Carrying value of right of use assets at the end of the reporting period by class:

Particulars	Amount
Balance at 1 April 2019	1711.15
Addition during the period	17.09
Deletion during the period	8.49
Depreciation	790.17
Closing Balance at 31st March 2020	929.58

B. Maturity analysis of lease liabilities:

Maturity analysis – contractual undiscounted cash flows	As on 31st March 2020	As on 31st March 2019
Less than one year	801.92	Nil
One to five years	83.87	Nil
Above five years	177.01	Nil
Total undiscounted lease liabilities at 31 March 2020	1062.80	Nil
Lease liabilities included in the statement of financial position at 31 March 2020	873.57	Nil
Current	765.56	Nil
Non-Current	108.02	Nil

C. Amounts recognized in the profit or loss:

Particulars	As on 31st March 2020	As on 31st March 2019
Interest on lease liabilities	121.65	Nil
Amortization on ROU	790.17	Nil

D. Amounts recognized in the Statement of Cash Flow:

Particulars	As on 31st March 2020	As on 31st March 2019
Total Cash Outflow for Lease	873.58	NIL

XX. Component Accounting –

From the financial year 2016-17, component accounting for helicopter parts was adopted and the following parts were considered for component accounting:

a. Engine

b. Main Gear Box

c. Hub Assy.

d. Transmission Assy.

e. Embedded Cost

f. Hull

Total Depreciation for helicopters & components for the F Y 2019-20 amounts Rs. 6,739.40 Lakhs (March 31, 2019 Rs. 7424.91 Lakhs). Overhaul charges / G inspection expenses of Rs. 4458.97 Lakhs (March 31, 2019 Rs. 8605.55 Lakhs) has been capitalized in the F. Y. 2019-20.

XXI. a) A financial irregularity was reported at Lakshadweep detachment in the financial year 2014-2015. The Vigilance Department has conducted enquiry and submitted report to the management. Out of the estimated financial loss as reported by the Vigilance Department of Rs. 129.21 Lakhs, provision of Rs. 89.12 Lakhs was created in the financial year 2014-2015. The figure of Rs. 89.12 Lakhs was arrived at by estimating total amount of Rs. 129.21 Lakhs out of which travelling bills/credit payables to employees/supporting/invoice etc amounting to Rs. 40.09 Lakhs were traced. During the previous financial years, Rs. 59.29 Lakhs was received from the Lakshadweep Administration towards travelling bills for the period April 2008 to March 2011. As informed by HR Deptt. , Investigation has been completed and action suggested has been acceded by the competent authority.

b) During the financial year 2018-19, misappropriation of Rs. 3.56 Lakhs (approx) by the then Base Assistant of Daman detachment, being collection on behalf of Daman & Diu Administration for tickets issued, was noticed. Corrective Action has been initiated to recover the amount and currently Rs. 2.40 Lakhs has been recovered from him and in respect of the balance amount of Rs. 1.16 Lakhs necessary steps are being taken to recover the amount along with initiating other actions as deemed fit. The amount has been provided for during the financial year 2018-19.

c) Advance payments of for USD 2,65,320 to purported bank account of M/s Klimov JSC, Russia towards repair of 3 Mi-172 engines was made in the financial year 2015-16, against which the Ministry of Civil Aviation has lodged a formal complaint during the year with the Economic Offences Branch III of Central Bureau of Investigation. Further, the matter is also under arbitration at Institute of the Stockholm Chamber of Commerce (SCC), Sweden.. Contingent liability against the claim lodged by the OEM with the Arbitrator has already been considered in Note No.32 (II)(d) above.

XXII. Provisions –

Various provisions carried in the books as on 31.03.2020 are detailed below.

(Rupees in Lakhs)

Particulars	As on 31 March, 2018	Created / Utilized/ other adjustments during the year	As on 31 March, 2019	Created / Utilized/ other adjustments during the year	As on 31 March, 2020
Provision for Impairment of Assets	1675.29	57.85	1733.14	677.43	2410.57
Provision for Revision of Pay & Allowances from 01.01.2007 including pension and others	69.90	41.49	111.39	111.39	Nil
Provision on account of License related allowance to Pilots & Engineers	1104.00	883.00	1987.00	883.00	2870.00
Provision for Revision of Pay & Allowances from 01.01.2017	1901.20	761.21	2662.41	2662.41	Nil
Doubtful Debts/Advances/ Expected Credit Loss	5740.96	2370.96	8111.92	1144.56	9256.48
Provision for Non moving inventories/ Life expired items, etc.	3204.87	227.97	3432.84	68.75	3501.59
Provision for Loss at Lakshadweep Detachment	89.12	-	89.12	-	89.12
Provision for Diminution in Value of Investment	211.68	-	211.68	77.66	289.34
Provision Others –Daman	-	1.16	1.16	-	1.16

XXIII. Movement of Contract Asset and Contract Liability

(Amount in Lakhs)

Particulars	2019-20		2018-19	
	Contract Assets	Contract Liability	Contract Assets	Contract Liability
Opening Balance (A)	**1209.15**	**1044.11**	**729.22**	**383.25**
Additions				
Against Sale recognised during the year	149.30	Nil	389.45	Nil

Receipt of Advance from customers during the year	Nil	194.07	Nil	724.63
Change in Transaction Price recognised during the year	127.80	Nil	90.48	Nil
Others (if any)	Nil	Nil	Nil	Nil
Total-B	**277.10**	**194.07**	**479.93**	**724.63**
Deductions				
Contract Liability adjusted against Revenue Recognise during the year -opening	Nil	66.78	Nil	58.05
Contract Liability adjusted against Revenue Recognise during the year -current	Nil	373.79	Nil	0.76
Conversion of Contract Asset to Trade Receivable	389.45	Nil	Nil	Nil
Impairment of Contract(if any)	812.44	Nil	Nil	Nil
Write back of Contract Liability	Nil	Nil	Nil	Nil
Change in Transaction Price	Nil	Nil	Nil	Nil
others (if any)	Nil	Nil	Nil	4.96
Total-C	**1201.89**	**440.57**	**-**	**63.77**
Grand Total (CLOSING BALANCE)-D (A+B+C)	**284.36**	**797.61**	**1209.15**	**1044.11**

XXIV. A) The Ministry of Civil Aviation vide letter No. AV.30020/365/2015-GA dt. 15.06.2017 conveyed in-principle approval, subject to the approval of shareholders in general meeting, for increase in authorized share capital of company from Rs. 25,000 Lakhs to Rs. 56,000 Lakhs i.e. by Rs. 31,000 Lakhs. Thereafter, approval of shareholders of company has been obtained in the extraordinary general meeting held on 22.6.2017 for increase in authorized capital from Rs. 25,000 Lakhs to Rs. 56,000 Lakhs for rights issue of shares to the President of India (GoI) thru Ministry of Civil Aviation Rs. 15,905 Lakhs (received Rs. 13,091 Lakhs on 20/01/2017 and Rs. 2,814 Lakhs on 31/03/2017) and to ONGC Ltd. Rs. 15,281.60 Lakhs (received on 06/07/2017). The Board at its 159th meeting held on 10/07/2017 has approved rights issue and allotment of 1,59,050 number of equity shares in favour of the President of India (GoI) and 1,52,816 number of equity shares to ONGC Ltd. having face value of Rs. 10,000 each. Accordingly Equity Structure of the company as on 10.7.2017 is as follows:

(Rupees in Lakhs)

Equity Shareholder of Pawan Hans Limited	Shareholding before 10.7.2017	Rights Issue of Equity Shares allotted on 10.7.2017	Total Shareholding (authorized capital Rs. 56,000 Lakhs) as on 31.03.2020	% Share holding
President of India (GoI) through MoCA	12,526.60	15,905.00	28,431.60	51%
ONGC Ltd.	12,035.00	15,281.60	27,316.60	49%
Total paid-up Capital	**24,561.60**	**31,186.60**	**55,748.20**	**100%**

B) Government of India decided for strategic disinvestment of the entire 51% share holding of Government of India in Pawan Hans Limited along with transfer of management control. For this purpose SBI Capital Markets was appointed by DIPAM, Ministry of Finance on 20th March, 2017 as Transaction Advisor for the said strategic disinvestment. In addition to the above, DIPAM also appointed M/s.Crawford Bayley & Company as Legal Advisor & M/s.RBSA Advisor for valuation of PHL assets.

The process of activities involving issue of Expression of interest (EOI) along with Preliminary Information Memorandum (PIM) was started in March, 2017 and 1st EOI for inviting Global bids was issued on Oct 13, 2017, which was withdrawn on April 6, 2018 as there was only one eligible bid for the next stage (Financial bidding).

Thereafter, 2nd EOI alongwith Preliminary Information Memorandum (PIM) was issued on April 14,2018 and corrigendum to the PIM issued on May 31,2018 with last date of submission as June 18, 2018.

Consequent to the above, Oil and Natural Gas Corporation ("ONGC"), vide its board resolution dated August 02, 2018, communicated its intent to offload its entire shareholding of 49% in PHL. In light of this development, an addendum to PIM was issued on August 15, 2018 to provide all potential and existing bidders an opportunity to participate in the disinvestment process. Accordingly, last date for submission of Expression of Interest (EOI) by Interested Bidders was extended upto September 12, 2018, which was further extended upto September 19, 2018. Process of evaluation of bids was carried out and Confidential Information Memorandum (CIM) document was issued and access to VDR was given to the selected bidders on 9th October, 2018. Thereafter, RFP was issued on 18th December, 2018 and final SPA document incorporating comments/suggestions of SBs was uploaded on the VDR on 1st March, 2019 inviting bids by 5th March, 2019, which was further extended for another one week i.e. upto 12th March, 2019 based on the request of shortlisted bidders.

Against the above, only one bid was received by due date i.e. 12th March, 2019. After scrutiny of the bid Transaction Adviser (SBI Capital) informed that the bid is conditional and incomplete in content and also attracts disqualification as per Section 8, Disqualification of RFP. Accordingly, bid was rejected and the matter was referred to DIPAM for further decision in this regard.

After detailed deliberations, Alternative Mechanism (AM) conveyed their decision on 3rd May, 2019 to issue fresh EOI/PIM to widen the participation of bidders. Accordingly, revised PIM was prepared based on the decision taken during the EC meetings held on 13th and 17th May, 2019 and after approval the same was issued on 11th July, 2019 with last of submission as 22nd August, 2019. The date of submission of the bids was extended thrice based on the request of the bidders upto September 12, 2019, September 26, 2019 & October 10, 2019 respectively. Against the above EOI bids were received. However, there was only single bid qualified for the next stage (Financial Bidding) and could not be processed further.

Keeping in view of the above, DIPAM directed SBI Cap to have Road Show with the prospective bidders and accordingly meetings with the bidders were organized and inputs/observations given by them were informed to DIPAM by SBI Cap for further decision in this regard.

XXV. Prior Period Errors

The company is required to make following disclosure in respect of prior period errors rectified by it while preparing the financial statements:

(a) Nature of prior period error.

(b) for each prior period presented, to the extent practicable, the amount of correction:

- for each financial statement line item affected; and
- for basic and diluted earnings per share;

(c) the amount of correction at the beginning of the earliest prior period presented;

Following prior period adjustments were made in the financial year 2018-19:-

(Rupees in Lakhs)

Particulars	**Amount**
Prior Period identified during FY 2019-20, pertaining to FY 2017-18 and earlier years has been adjusted from Opening Reserves & Surplus	**(3821.95)**
Debit	
Helicopter Operational & maintenance expenses	2.95
Depreciation & Amortization Expenses	345.33
Other Expenses	0.62
Insurance Expenses	13.88
Fixed Assets Written Off	826.43
Provision for ECL	3399.58
Total	**4588.79**
Credit	
Revenue From Operations	753.37
Other Income	13.47
Total	**766.84**
Prior Period identified during FY 2019-20, pertaining to FY 2018-19, adjusted under respective line items in FY 2018-19	**(682.79)**
Debit	
Helicopter Operational & maintenance expenses	(8.84)
Depreciation & Amortization Expenses	(849.39)
Other Expenses	38.27
Fixed Assets Written Off	659.70
Provision for ECL	935.26
Employee benefits expense	3.01
Insurance	0.35
Total	**787.52**
Credit	
Revenue from Operations	38.79
Other Income	56.78
Total	**95.57**

XXVI. Related Party Disclosure

Related party disclosures, as required by Indian Accounting Standard-24 are given below:-

a) **Person having controlling interest**

President of India, Government of India - 51% Shareholding

Oil and Natural Gas Corporation Limited - 49% Shareholding

b) **Key Managerial Personnel**

i. Dr. B P Sharma, Chairman & Managing Director (upto 28th february'2019)

ii. Mrs. Usha Padhee, Chairperson cum Managing Director (from 6th April'19 till 16th February' 2020)

iii. Shri. Sanjeev Razdan, Chairman & Managing Director (W.e.f. 17th February'2020)

iv. Shri Dhirendra Sahai, Chief Financial Officer (upto 30th November, 2018)

v. Shri Ashish Kumar Yadav, Chief Financial Officer (W.e.f. 13th January' 2020 to 20th May' 2020).

vi. Shri Shanker Lal Goel, Chief Financial Officer (W.e.f. 21st May' 2020 onwards).

vii. Shri Sanjiv Agrawal, Company Secretary (Upto 31st August, 2018)

viii. Shri Ranjit Singh Chauhan , Company Secretary (from 31st August, 2018 onwards)

c) **Details of Transactions:- (Key Managerial Personnel) -**

(Rupees in Lakhs)

Particulars	**2019-20**	**2018-19**
Short term employee benefits	33.68	132.48
Contribution to defined Superannuation Benefits	2.09	7.01
Post Employment Benefits	2.27	9.50
Other Long Term Benefits	Nil	Nil
Termination Benefits	Mediclaim Insurance of Rs. 5.00 Lakhs	Mediclaim Insurance of Rs. 5.00 Lakhs
Share based Payment	Nil	Nil
Directors Sitting fees	3.50	4.05
Amount Receivable	2.82	Nil
Amount Payable	3.52	0.96

d) **Remuneration paid to Directors including Chairman & Managing Director -**

(Rupees in Lakhs)

Particulars	**2019-20**	**2018-19**
Short Term Employment Benefits	8.58	57.94
Contribution to defined Superannuation Benefits	0.33	2.86
Post Employment Benefits	0.36	3.12
Other Long Term Benefits	Nil	Nil
Termination Benefits	Mediclaim Insurance of Rs. 5.00 Lakhs	Mediclaim Insurance of Rs. 5.00 Lakhs
Share based Payment	Nil	Nil

e) Enterprise having significant influence –

ONGC Ltd – Equity Shareholder - 49% amounting to Rs. 27316.60 Lakhs

(Rupees in Lakhs)

Transaction:-	2019-20	2018-19
Helicopter Hire charges (net of AOG/Liquidated Damages)	8538.62	7970.12
Trade receivables as at year end (debit)	**2966.50**	**3262.89**

f) Trusts in which company has significant influence:-

(Rupees in Lakhs)

Name of the Trust	2019-20			2018-19		
	Paid	Payable	Receivable	Paid	Payable	Receivable
Pawan Hans Employees Provident Fund Trust	2027.45	185.67	-	1561.99	157.59	-
Pawan Hans Helicopters Ltd. Employee's Gratuity Trust	270.11	581.86	-	652.58	270.05	-
PHL Employees Defined Contribution Superannuation Trust	**534.88**	**45.71**	**-**	**846.00**	**43.34**	**-**

XXVII. Reconciliation between Basic and diluted number of shares are as under:

Particulars	No of Shares	
	2019-20	2018-19
No. of shares at the beginning of the year	5,57,482	5,57,482
Add : During the Year	Nil	Nil
Total no. of Diluted Shares at the end of the year	**5,57,482**	**5,57,482**

XXVIII. a) The Company had no dues to Micro & Small Enterprises outstanding for more than 45 days on the Balance Sheet date. Interest and Principal amount breakup of MSME Trade payables is as follows:-

Dues to micro and small enterprises		
- Principal	29.61	Nil
- Interest	Nil	Nil
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	Nil	Nil
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	Nil	Nil
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 MSMED Act, 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil

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 the MSMED Act, 2006	Nil	Nil

b. The information has been given in respect of such service provider to the extend they could be identified as micro and small enterprises on the basis of information available with the company and have been relied upon by the auditors.

c. The operating cycle of the company has been assumed to have duration of 12 months and classification of assets and liabilities into long term and short term has been done accordingly for the purpose of Schedule III of the Companies Act, 2013.

d. Segment Reporting

The Company is primarily engaged in the business of providing Helicopter services in India, which as per Indian Accounting Standard – 108 on 'Operating Segments' is considered to be the only reportable business segment in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM is considered to be the Board, as it makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segment. The Company operates in India, which has been considered as a single geographical segment, as the risks are similar.

e. Major Customers

Following are the major customers of the company:-

i. Oil and Natural Gas Company Limited.

ii. Andaman & Nicobar Administration

iii. Lakshadweep Administration

iv. U.T. of Jammu & Kashmir

v. Government of Meghalaya

vi. Government of Tripura

vii. Government of Mizoram

viii. Maharashtra Police

XXIX. a) The Company and Andaman & Nicobar Administration had entered into an agreement to provide helicopter support services for a period 25th March 2015 till 24th March 2020 in consideration of Fixed Monthly Charges Plus Additional Overheads, Hourly Flying Charges, Maintenance Charges and Changes in the ATF Cost Etc. The Maintenance Cost and Changes in ATF cost are Reimbursed by Andaman & Nicobar Administration in France Francs (Euro) which are Converted in INR based on the rates mentioned in the Agreement. Any fluctuation beyond the base rate in the foreign exchange is reimbursed by the Customer.

During the Financial year 2019-2020, it was found that the foreign exchange fluctuation rates had been wrongly taken which has impacted the Prior periods Income from August 2016 to March 2019. The Company has issued a Revised Tax Invoice during the year ended 31st March, 2020 for the Differential Amount which pertains to FY-2016-17 Rs. 14.48 Lakhs, FY-17-18 Rs. 33.29 Lakhs, FY-18-19 Rs. 41.63 Lakhs & FY-19-20 Rs. 41.77 Lakhs amounting to total of Rs. 131.17 lakhs.

Also, as per Agreement, it is mentioned that whenever there is a change in the maintenance and ATF cost (Foreign Currency) beyond the rates mentioned in the contract, Andaman & Nicobar Administration will reimburse the cost to the company. However, it has been observed that whenever the rates of foreign currency are below the rates mentioned in the contract, the company has paid the amount to Andaman & Nicobar Administration amounting to Rs. 320.74 lakhs in FY-16-17, Rs. 408.47 Lakhs in FY-17-18, Rs. 90.48 Lakhs in FY-18-19, Rs. 127.80 Lakhs in FY -19-20 (Total Rs. 947.50 Lakhs) which is not in accordance with contract. The Company has issued Invoice for the same but has not received confirmation from the Andaman & Nicobar Administration and hence has been booked as Unbilled Revenue without GST in the current year financial Statements and has also provided provision of Expected Credit Loss of Rs. 812.44 Lakhs.

b) The Company and Oil and Natural Gas Corporation (ONGC) had entered into Agreement on 8th June 2017 to provide charter hire of 3 Nos. Production Task Helicopters and also entered into an agreement on 31st December 2015 to provide charter hire of 4 Nos. of Dauphin AS365N3 Crew change helicopters for offshore operation for carrying out ONGC's Operations in conforming to specifications as mentioned in the agreement. The Company in consideration for the above services receives Fixed Monthly Charges and Flying Monthly Charges. In case the Company is not able to provide the helicopter to ONGC, fixed monthly charge shall not be payable to company for the period helicopter is not available. In addition, Liquidated Damages are required to be paid for full day of grounding at amount equivalent to 5 % of fixed monthly charge and for half day of grounding an amount equivalent 2.5% (i.e. 50% of 5%) of fixed monthly charge, an amount of Rs.1674.44 Lakhs (Previous year Rs. 1800.28 Lakhs) has been deducted during the year.

XXX. ATF is being billed and accounted for according to the agreements entered with the customers.

XXXI. The Company had Imported 2 Bell Model 412 EP Civil Helicopter from Bell Helicopter Textron Inc for USD 201.87 Lakhs on 16th February 2017 and had paid custom duty of Rs.359.29 Lakhs and Octroi Charges amounting to Rs.13.83 Lakhs. The Helicopters imported were rejected by the company as the Technical Specification/Manufacturing Date did not complied as per contract. After Discussions and Meeting, the Company had entered into Settlement agreement with M/s Bell Helicopter Textron Inc (USA) on 18th Jan 2019 and had also entered into Escrow Agreement on 8th February 2019 to Re-export the Helicopters as per the terms and Conditions. An Application was submitted to Chief Commissioner of Custom as per instructions of the authority for extension of time period for re-export after expiry of 2 years' time limit. The Authority stated that period is extended by another one year. Further the Authority had granted the extension of a period of 16 days (up to 3 April 2019) to Re-export the two Bell helicopter in order to claim the Duty Draw Back. The two helicopters were Re-exported to Bell Textron USA with shipping bill dated 23/03/2019 and Flight dated 02/04/2019. An Application for Duty Draw back was made to deputy Commissioner of Custom on 01st July 2019 and Custom house Agent is following up with the Authority for this matter. The Company has not received the Amount of Custom duty and Octroi duty paid on Import of Helicopters which is outstanding till date amounting to Rs. 373.12 Lakhs.

XXXII. Financial Instruments

i. Valuation

All financial instruments are initially recognized and subsequently re-measured at fair value except in cases where exemption provided under para D20 of Ind AS 101 was availed during transition to Ind AS as described below:

a) Fair valuation of loans to employees

Under the previous GAAP, loans to employees at concessional rate (that are recoverable in cash as per the loan terms) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the Company has fair valued these loans to employees under Ind AS except the loans existing on the date of transition. Difference between the fair value and transaction value of the loans has been recognized as expenses in the Statement of Profit and Loss for the year. Consequent to this change, the amount of loans decreased by Rs. 0.38 Lakhs as at March 31, 2020. The profit for the year and total equity as at March 31, 2020 decreased by Rs. 0.74 Lakhs due to notional interest income of Rs. 0.74 Lakhs recognized on loan to employees.

b) Security deposits

Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit is to be recognized as deferred rent. However, the company is not recognizing the security deposit at fair value because the amount of security deposit is not material.

c) The fair value of the financial instruments is determined using discounted cash flow analysis wherever applicable.

Categories of financial instruments

(Rupees in Lakhs)

Particulars	31 March, 2020	31 March, 2019
Financial Assets		
Measured at Amortized Cost		
Non Current Assets		
a) Loans	519.41	539.54
b) Other Financial Assets	157.41	160.33
Current Assets		
a) Trade Receivables	16703.37	16869.88
b) Cash and Cash equivalents	5365.44	2086.23
c) Other Bank Balances	6429.69	11500.22
d) Loans	408.83	710.75
e) Other Financial Assets	2043.10	2815.63
Measured at Fair Value through OCI		
a) Investment in equity instruments	-	77.66
Measured at Fair Value through P&L		-
Financial Liabilities		
Measured at Amortized Cost		
Non Current Liabilities		
a) Borrowings	853.10	1323.52
b) Other financial liabilities	150.58	33.57

Current Liabilities		
a) Borrowings		-
b) Trade Payables	4033.46	5294.04
c) Other Financial Liabilities	5157.74	970.14

ii. Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the company's financial assets & liabilities that are measured at fair value or where fair value disclosure is required as at 31 March, 2020:

Particulars	Total	Fair value measurement using		
		Quoted price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
FVTOCI financial assets/ liabilities	Nil	Nil	Nil	Nil
FVTPL financial assets/liabilities	Nil	Nil	Nil	Nil
Amortized cost financial assets/liabilities	1804.12	Nil	Nil	1804.12

The following table provides the fair value measurement hierarchy of the company's financial assets & liabilities that are measured at fair value or where fair value disclosure is required as at 31 March, 2019:

Particulars	Total	Fair value measurement using		
		Quoted price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
FVTOCI financial assets/ liabilities	Nil	Nil	Nil	Nil
FVTPL financial assets/liabilities	Nil	Nil	Nil	Nil
Amortized cost financial assets/ liabilities	Nil	Nil	Nil	Nil

iii. Foreign Currency Risk Management:-

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the company's foreign currency dominated monetary assets and monetary liabilities as of March 31, 2020 are as follows:

(Rupees in Lakhs)

Particulars	USD		Euro		Other currencies	
	Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR
Cash & Cash equivalents	8.38	627.18	5.65	464.34	-	-
Trade Receivables	9.39	702.85	10.65	875.43	-	-
Other financial assets	56.64	3886.57	2.20	181.26	0.23	21.18
Trade Payables	2.85	216.21	2.22	186.38	0.04	3.75
Other financial liabilities	0.16	11.82	-	-	-	-
Contingent Liabilities	4.19	318.30	-	-	-	-

The carrying amounts of the company's foreign currency dominated monetary assets and monetary liabilities as of March 31, 2019 are as follows:

(Rupees in Lakhs)

Particulars	USD		Euro		Other currencies	
	Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR
Cash & Cash equivalents	0.65	44.84	0.53	40.83	-	-
Trade Receivables	14.74	1011.37	4.33	331.29	-	-
Other financial assets	0.47	30.12	2.09	159.90	0.09	8.19
Trade Payables	1.87	130.47	17.96	1413.66	-	-
Other financial liabilities	0.74	50.93	-	-	-	-
Contingent liabilities	4.14	288.64	5.00	393.55	0.33	29.48

iv. Foreign Currency Sensitivity Analysis:

The company is mainly exposed to the currency: USD and EUR;

The following table details the Company's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the Group at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% charge in foreign currency rate. A positive number below indicates an increase in the profit or equity where the ` strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(Rupees in Lakhs)

Particulars	USD Impact	
	As at 31 March, 2020	As at 31 March, 2019
Increase in exchange rate by 5%	39.91	297.51
Decrease in exchange rate by 5%	(39.91)	(297.51)
Particulars	**EURO Impact**	
	As at 31 March, 2020	**As at 31 March, 2019**
Increase in exchange rate by 5%	66.73	(33.72)
Decrease in exchange rate by 5%	(66.73)	33.72

Particulars	Other currencies Impact	
	As at 31 March, 2020	As at 31 March, 2019
Increase in exchange rate by 5%	0.87	(1.07)
Decrease in exchange rate by 5%	(0.87)	(1.07)

v. Interest risk

There is no interest risk relating to the company's financial liability.

vi. Credit Risk

Credit risk refers to a risk that the counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk arises on liquid assets, non-current financial assets, derivative assets, trade and other receivables. The company does not have any derivative assets and in respect of cash and cash equivalents, the said amount is in current account with Scheduled Bank where chances of default are minimum. The maximum exposure to the credit risk is equal to the carrying amount of the company's other financial Assets.

vii. Credit Risk management :

A. Trade Receivables

The credit risk has always been managed by the group through an assessment of the companies financials, market intelligence and customers credibility. The company makes provisions for Debtors based on a critical assessment of the amount in relation to the ageing combined with the historical trend observed in the respective geography, the past history of the client and comparison with similar projects to determine the recoverability of the receivables

B. Other Financial Assets

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding looking information.

viii. Credit Risk Exposure :

A. Trade Receivables

As certified by the consultants, lifetime expected credit loss allowance has been computed based on a matrix which takes into account historical credit loss experience and has been adjusted for forward- looking information.

The carrying amount of trade receivables represents the maximum credit exposure from customers. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 24688.68 Lakhs (P.Y. Rs. 24546.65 Lakhs).

Reconciliation of Loss allowance provision – Trade receivables:

(Rs. in Lakhs)

Particulars	2019-20	2018-19
Balance at the beginning of the Year	7676.77	5407.39
Impairment Loss recognized / Reversed	320.16	2269.38
Amount Written Off	(11.62)	-
Balance at the end of the Year	**7985.31**	**7676.77**

B. Other Financial Assets

The carrying amount of other financial assets represents interest accrued on employee Loans, Insurance claims receivables, outstanding Income including unbilled revenue etc. The maximum exposure to credit risk is Rs. 3098.46 Lakhs (P.Y. Rs. 3051.49 Lakhs). The 12 months expected credit loss / lifetime expected credit loss on these financial assets for the financial year under review is Rs.897.95 Lakhs (P Y Rs.75.53 Lakhs).

Reconciliation of Loss allowance provision – Other Financial Assets:

(Rs. in Lakhs)

Particulars	2019-20		2018-19	
	12 Months expected losses	life time expected losses	12 Months expected losses	life time expected losses
Balance at the beginning of the Year		75.53		22.78
Add/(Less): changes in loss allowances due to changes in risk parameters		822.42		52.75
Balance at the end of the Year		**897.95**		**75.53**

ix. Liquidity Risk -

Liquidity risk is the risk that the company may encounter difficulties in meeting its obligation associated with financial liabilities that are settled with delivering cash or other financial assets. The Company believes that its working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The details regarding the contractual maturities of significant financial liabilities as on 31 March, 2020 are as follows:

(Rupees in Lakhs)

Particulars	Less than 1 year	1-5 years	5+ years	Total	Carrying amount
Borrowings	739.86	853.10	-	1592.96	1592.96
Trade Payables	4033.46	-	-	4033.46	4033.46
Other financial liabilities	4417.88	150.58	-	4568.46	4568.46

The details regarding the contractual maturities of significant financial liabilities as on 31 March, 2019 are as follows:

(Rupees in Lakhs)

Particulars	Less than 1 year	1-5 years	5+ years	Total	Carrying amount
Borrowings	604.67	1323.52	-	1928.19	1928.19
Trade Payables	5294.04	-	-	5294.04	5294.04
Other financial liabilities	365.47	33.57	-	399.04	399.04

x. Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through optimization of debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

(Rupees in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Borrowings	1592.96	1928.19
Trade Payables	4033.46	5294.04
Other Financial Liabilities	4568.46	399.04
Net Debt	**10194.88**	**7621.27**
Equity Share Capital	55748.20	55748.20
Other Equity	41305.86	44622.44
Total Capital	**97054.06**	**100370.64**
Capital & Debt	**107248.94**	**107991.91**
Gearing Ratio	0.11	0.08

XXXIII. Previous year figures have been regrouped wherever considered necessary to correspond with current year figure.

XXXIV. During the year, company has identified material prior period adjustments for years prior to financial year 2018-19, due to which 3rd column of the balance sheet i.e. figures as on 01st April, 2018 has been stated.

XXXV. During the year, company has initiated a scheme of Associate Helicopter Pilots to retain and enhance its strength of pilots. 37 pilots have joined under the scheme, out of which 32 pilots were already working with the company as regular/ contractual pilots. HR Department has ensured compliance of the scheme, as approved by the Board of Directors.

XXXVI. Company does not prepare comparison of budget vs actual profitability statement of RCS, Kedarnath and individual customer contracts, as cost centres are not defined. Contract wise profitability, through cost centres is being implemented in the current year.

XXXVII. We have complied with all labour laws wherever applicable and known liabilities on account of labour cess, professional tax, GST, minimum wages, Provident Fund, Employees state insurance, have been duly disclosed and there are no other known statutory non compliances which are not recorded in the books of account.

XXXVIII. Impact of Covid -19

The Company has considered the possible effects that may result from the pandemic relating to carrying amounts of receivables, inventories, Property, Plant and Equipment. In developing the assumptions relating to the possible future uncertainty in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources. Based on company’s current estimates, the carrying value of these assets will be recovered. Further, the pandemic has created a big disruption in everything including economic activities and the company is no exception to that. However, the management has taken appropriate steps to minimize the impact of COVID19.The Government of India had declared national lockdown with effect from March 25, 2020. Since operations of the company for service provided to Oil and Gas sector and state governments were classified under essential services, there has been no significant impact on the revenue for the period up to 31st March 2020. The management has taken appropriate steps to minimize the impact of COVID19. However, it will have significant impact on the following year owing to reduction in flying, delay in recovery of debts from State governments/ UTs/ PSUs. The management is in the process of quantifying the impact of the same.

Notes 1 to 32 form an integral part of the financial Statements.

This is the Notes to Accounts referred to in our report of even date.

For J. P., Kapur & Uberai
Chartered Accountants
Firm Registration No. 000593N

For & on Behalf of Board of Directors

sd/-
Vinay Jain
Partner
Membership No. 095187

sd/-
Sanjeev Razdan
Chairman-Cum-Managing Director
DIN No. 08711596

sd/-
Ranjit Singh Chauhan
Company Secretary
Place : Noida

sd/-
Shanker Lal Goel
Chief Financial Officer

Date: 14-10-2020
Place: New Delhi

स्वच्छ भारत
एक कदम स्वच्छता की ओर

पवन हंस लिमिटेड

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