

Ashley Aviation Limited
CIN : U66030TN2008PLC122350
Balance sheet as at March 31, 2020

<i>Particulars</i>	Note No.	As at March 31, 2020 Rs. Lakhs	As at March 31, 2019 Rs. Lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	1.1	15.63	8.22
Right-of-use asset (Refer Note 13)	1.1 A	490.78	-
Financial Assets			
(i) Investments	1.2	-	-
(i) Loans	1.3	64.42	69.35
Non Current tax assets (net)	1.4	53.12	36.48
Total Non-current assets		623.95	114.05
Current assets			
Financial Assets			
(i) Trade Receivables	1.5	171.96	93.91
(ii) Cash and cash equivalents	1.6	90.78	98.04
Contract Assets	1.7	110.45	106.00
Other current assets	1.8	127.21	115.98
Total Current assets		500.40	413.93
TOTAL ASSETS		1,124.35	527.98
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	1.9	1,334.04	900.00
Other Equity	1.10	(1,846.54)	(1,466.32)
Total Equity		(512.50)	(566.32)
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	1.11	356.00	570.35
(ii) Lease liabilities (Refer Note 13)	1.12	315.91	-
(iii) Other financial liabilities	1.13	-	11.10
Provisions	1.14	18.58	18.30
Total Non-current liabilities		690.49	599.75
Current liabilities			
Financial liabilities			
(i) Trade payables	1.15		
Total outstanding dues of micro and small enterprises		0.28	-
Total outstanding dues of creditors other than micro and small enterprises		63.21	447.03
(ii) Lease liabilities (Refer Note 13)	1.16	583.51	-
(iii) Other financial liabilities	1.17	247.59	2.24
Other current liabilities	1.18	21.91	20.49
Provisions	1.19	29.86	24.79
Total Current liabilities		946.36	494.55
TOTAL EQUITY AND LIABILITIES		1,124.35	527.98
Significant Accounting Policies	1		
Notes are an integral part of the Financial Statements			

As per our Report of Even Date
For Manubhai & Shah LLP
Chartered Accountants
FRN 106041W/W100136

For and on behalf of the board

K C Sathiyarayanan
Director
DIN: 0008087454

N Ramanathan
Director
DIN: 0007409855

CA Laxminarayan P. Yekkali
Partner
Membership No.114753
Place: Mumbai
June 05, 2020

Sanjay Verma
Chief Executive Officer

R. Ravishankar
Chief Financial Officer

S. Raja
Company Secretary

Ashley Aviation Limited			
CIN : U66030TN2008PLC122350			
Statement of Profit and Loss for the year ended March 31, 2020			
<i>Particulars</i>	Note No.	Year ended March 31, 2020 Rs. Lakhs	Year ended March 31, 2019 Rs. Lakhs
Income			
Revenue from operations	2.1	773.97	856.25
Other income	2.2	14.18	10.01
Total Income		788.15	866.26
Expenses			
Cost of operating expenses	2.3	279.26	514.42
Employee benefits expense	2.4	274.49	285.16
Finance costs	2.5	74.50	56.14
Depreciation and amortisation expense	2.6	215.17	2.50
Other expenses	2.7	296.27	296.60
Total Expenses		1,139.69	1,154.82
Loss before exceptional items and tax		(351.54)	(288.56)
Exceptional items		-	-
Loss before tax		(351.54)	(288.56)
Tax expense:			
Current tax		-	-
Deferred tax		-	-
		-	-
Loss for the year		(351.54)	(288.56)
Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		2.38	1.63
Total Other Comprehensive Income		2.38	1.63
Total Comprehensive Income for the year		(349.16)	(286.93)
Earnings per share (Face value Rs.10 each) -			
-Basic (in Rs.)		(3.47)	(6.77)
-Diluted (in Rs.)		(3.47)	(6.77)
Significant Accounting Policies	1		
Notes are an integral part of the Financial Statements			
As per our Report of Even Date	For and on behalf of the board		
For Manubhai & Shah LLP			
Chartered Accountants			
FRN 106041W/W100136			
	K C Sathiyarayanan	N Ramanathan	
	Director	Director	
	DIN: 0008087454	DIN: 0007409855	
CA Laxminarayan P. Yekkali			
Partner			
Membership No.114753			
Place: Mumbai	Sanjay Verma	R. Ravishankar	S. Raja
June 05, 2020	Chief Executive Officer	Chief Financial Officer	Company Secretary

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

<i>Particulars</i>	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities		
Loss for the year	(351.54)	(288.56)
<u>Adjustments for:</u>		
Depreciation and amortisation expense	9.45	2.50
Depreciation of right to use asset	205.72	-
Net gain arising on Mutual Funds	-	(2.64)
Other non cash miscellaneous income	(11.79)	-
Net unrealised foreign exchange (gain)/loss	0.58	0.30
Finance costs	74.50	56.14
Allowance for doubtful and advances	4.20	-
Interest income	(2.39)	(2.10)
Operating loss before working capital changes	(71.27)	(234.36)
<u>Adjustments for changes in:</u>		
Trade receivables	(82.25)	106.01
Non-current and current financial assets	4.93	(0.50)
Contract Assets	(4.45)	(106.00)
Other non-current and current assets	(11.23)	(30.55)
Trade payables	(10.91)	116.37
Non-current and current financial liabilities	0.05	(11.25)
Other non-current and current liabilities	1.42	(48.84)
Other non-current and current provisions	7.73	25.23
Cash generated from operations	(165.98)	(183.89)
Income tax refund (net of tax paid)	(16.64)	8.49
Net cash (used in) / from operating activities	[A] (182.62)	(175.40)
Cash flow from investing activities		
Purchase of property, plant & equipment	(16.86)	(7.16)
Purchase of current investments	-	(120.00)
Sale of current investments	-	122.64
Interest received	1.86	2.10
Net cash (used in) / from investing activities	[B] (15.00)	(2.42)
Cash flow from financing activities		
Issue of Equity Share Capital	434.04	500.00
Payments of Lease Liability	(241.88)	-
Share Issue Expenses	(1.80)	-
Proceeds from current borrowings	-	-
Repayments of current borrowings	-	(225.00)
Interest paid	-	(24.13)
Net cash flow from / (used in) financing activities	[C] 190.36	250.87
Net cash Inflow / (Outflow)	[A+B+C] (7.26)	73.05
Opening cash and cash equivalents	98.04	24.99
Closing cash and cash equivalents [Refer Note 1.6 to the financial statements]	90.78	98.04

As per our Report of Even Date
For Manubhai & Shah LLP
Chartered Accountants
FRN 106041W/W100136

For and on behalf of the board

K C Sathiyarayanan
Director
DIN: 0008087454

N Ramanathan
Director
DIN: 0007409855

CA Laxminarayan P. Yekkali
Partner
Membership No. 114753
Place: Mumbai
June 05, 2020

Sanjay Verma
Chief Executive Officer

R. Ravishankar
Chief Financial Officer

S. Raja
Company Secretary

Ashley Aviation Limited

CIN : U66030TN2008PLC122350

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

A. Equity Share Capital

Rs. Lakhs

Balance as at April 1, 2018	Changes in equity share capital during the year	Balance at the end of March 31, 2019	Changes in equity share capital during the year	Balance at the end of March 31, 2020
400.00	500.00	900.00	434.04	1,334.04

B. Other Equity

Rs. Lakhs

Particulars	Reserves and Surplus		
	Equity component of Non-cumulative preference share	Retained Earnings	Total
Balance as at April 1, 2018	101.10	(1,280.49)	(1,179.39)
During the year			-
Loss for the year		(288.56)	(288.56)
Other comprehensive income for the year		1.63	1.63
Balance as at April 1, 2019	101.10	(1,567.42)	(1,466.32)
During the year			-
Less: Impact of transitioning to IND AS 116 'Leases'		(29.26)	(29.26)
Less: Share Issue Expenses		(1.80)	(1.80)
Loss for the year		(351.54)	(351.54)
Other comprehensive income for the year		2.38	2.38
Balance as at March 31, 2020	101.10	(1,947.64)	(1,846.54)

1.1 PROPERTY, PLANT AND EQUIPMENT

Rs. Lakhs

DESCRIPTION	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING VALUE
	01.04.2019	Additions	Disposals	31.03.2020	Upto 31.03.2019	Charge during the year	Disposals	Upto 31.03.2020	Upto 31.03.2020
Plant and equipment	4.73	-	-	4.73	2.86	0.29	-	3.15	1.58
Furniture and fittings	2.03	1.46	-	3.49	1.43	0.45	-	1.88	1.61
Computers	2.33	0.53	-	2.86	1.87	0.28	-	2.15	0.71
Office Equipment	6.62	-	-	6.62	1.33	2.38	-	3.71	2.91
Leasehold Improvements	-	14.87	-	14.87	-	6.05	-	6.05	8.82
TOTAL	15.71	16.86	-	32.57	7.49	9.45	-	16.94	15.63

INTANGIBLE ASSETS

Rs. Lakhs

DESCRIPTION	GROSS CARRYING AMOUNT				AMORTISATION				NET CARRYING VALUE
	01.04.2019	Additions	Disposals	31.03.2020	Upto 31.03.2019	Charge during the year	Disposals	Upto 31.03.2020	Upto 31.03.2020
Computer software - Acquired	0.04	-	-	0.04	0.04	-	-	-	-
TOTAL	0.04	-	-	0.04	0.04	-	-	-	-

Ashley Aviation Limited

CIN : U66030TN2008PLC122350

Notes forming part of the financial statements for the year ended March 31, 2020

1.1 PROPERTY, PLANT AND EQUIPMENT

Rs. Lakhs

DESCRIPTION	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING VALUE
	01.04.2018	Additions	Disposals	31.03.2019	Upto 31.03.2018	Charge during the year	Disposals	Upto 31.03.2019	Upto 31.03.2019
Property, plant and equipment (PPE)									
Plant and equipment	4.73	-	-	4.73	2.52	0.34	-	2.86	1.87
Furniture and fittings	2.03	-	-	2.03	1.22	0.21	-	1.43	0.60
Computers	1.75	0.58	-	2.33	1.23	0.64	-	1.87	0.46
Office Equipment	0.04	6.58	-	6.62	0.02	1.31	-	1.33	5.29
TOTAL	8.55	7.16	-	15.71	4.99	2.50	-	7.49	8.22

INTANGIBLE ASSETS

Rs. Lakhs

DESCRIPTION	GROSS CARRYING AMOUNT				AMORTISATION				NET CARRYING VALUE
	01.04.2018	Additions	Disposals	31.03.2019	Upto 31.03.2018	Charge during the year	Disposals	Upto 31.03.2019	Upto 31.03.2019
Intangible assets									
Computer software - Acquired	0.04	-	-	0.04	0.04	-	-	0.04	-
TOTAL	0.04	-	-	0.04	0.04	-	-	0.04	-

Ashley Aviation Limited
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Notes forming part of the financial statements for the year ended March 31, 2020

1.1A Right-of-use asset

Rs. Lakhs

Description	Gross carrying amount				Depreciation/Amortisation				Net Carrying Amount
	Value as on 01/04/2019 (adoption of Ind As 116)	Additions	Exclusions	31.03.2020	Upto 31.03.2019	Charge during the year	Exclusions	31.03.2020	31.03.2020
Aircraft	631.85	-	-	631.85	0	189.55		189.55	442.30
Building	64.64	-	-	64.64	0	16.16		16.16	48.48
Total	696.49	-	-	696.49	0	205.71	0	205.71	490.78

*Accumulated depreciation is considered in Gross Carrying amount as on 01/04/2019 on account of adoption of Ind As 116

Ashley Aviation Limited
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Notes forming part of the financial statements for the year ended March 31, 2020

1.2 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

DESCRIPTION	As at March 31, 2020		As at March 31, 2019	
	Nos	Rs. Lakhs	Nos	Rs. Lakhs
In Equity Shares of Other Companies Unquoted, fully paid Carried at fair value through profit and loss Equity Shares of Rials 10,00,000/- each fully paid in Indiran Engineering Projects & Systems KISH	878	-	878	-
Total Investments in Equity Instruments	878	-	878	-

Ashley Aviation Limited		
CIN : U66030TN2008PLC122350		
Notes forming part of the financial statements for the year ended March 31, 2020		
	As at March 31, 2020 Rs. Lakhs	As at March 31, 2019 Rs. Lakhs
1.3 NON-CURRENT FINANCIAL ASSETS - LOANS		
Unsecured		
a) Security deposits		
(i) Considered good	62.65	66.99
(ii) Credit impaired	-	-
	62.65	66.99
Less: Allowance for doubtful debts	-	-
	62.65	66.99
b) Prepayment under operating lease	1.77	2.36
	64.42	69.35
1.4 NON CURRENT TAX ASSETS (NET)		
Advance income tax (net of provision)	53.12	36.48
	53.12	36.48
1.5 TRADE RECEIVABLES		
Trade Receivables - Unsecured		
(i) Considered good		
(a) Related Parties (Refer note 4)	69.43	-
(b) Others	102.53	93.91
(iii) Credit impaired		
(a) Related Parties	-	-
(b) Others	4.20	-
	176.16	93.91
Less: Allowance for doubtful debts*	4.20	-
	171.96	93.91
1.6 CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents		
i) Balances with Banks:		
- in Current accounts	90.78	47.80
- in Deposit with original maturity of less than 3 months	-	50.24
ii) Cash on hand	-	-
	90.78	98.04
1.7 Contract Assets		
Unbilled revenue (Refer Note 10)	110.45	106.00
	110.45	106.00
1.8 OTHER CURRENT ASSETS		
a) Advances to Vendors	4.41	8.63
b) Balance with Government Authorities	72.87	57.68
c) Prepaid Expenses	49.93	49.67
	127.21	115.98
* Movement in Trade Receivables for Allowance for doubtful debts is as follows:	March 2020	March 2019
Opening	-	-
Add: Additions	4.20	-
Less: Utilisations / Reversals	-	-
Closing	4.20	-

Ashley Aviation Limited

CIN : U66030TN2008PLC122350

Notes forming part of the financial statements for the year ended March 31, 2020

	As at March 31, 2020 Rs. Lakhs	As at March 31, 2019 Rs. Lakhs
1.9 EQUITY SHARE CAPITAL		
Authorised		
134,00,000 Equity shares of Rs.10 each (PY: 1,10,00,000 Equity Shares)	1,340.00	1,100.00
	1,340.00	1,100.00
Issued		
a) Equity shares		
133,40,600 Equity shares of Rs.10 each (PY: 90,00,000 Equity Shares)	1,334.04	900.00
	1,334.04	900.00
Subscribed and fully paid up		
a) Equity shares		
133,40,600 Equity shares of Rs.10 each (PY : 90,00,000 Equity Shares)	1,334.04	900.00
	1,334.04	900.00

Ashley Aviation Limited
CIN : U66030TN2008PLC122350

Notes forming part of the financial statements for the year ended March 31, 2020

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Equity Shares	As at March 31, 2020		As at March 31, 2019	
	Nos.	Rs. Lakhs	Nos.	Rs. Lakhs
At the beginning of the year	9,000,000	900	4,000,000	400
Add : Issued during the year	4,340,360	434	5,000,000	500
Outstanding at the end of the year	13,340,360	1,334	9,000,000	900

b) Shares Held by the Holding Company

Equity Shares :-	As at March 31, 2020		As at March 31, 2019	
	% of Holding	Nos of Shares	% of Holding	Nos of Shares
Ashok Leyland Ltd.(along with beneficial ownership)	100.00	13,340,360	100.00	9,000,000

c) Details of Shareholder's holding more than 5% shares in the company

Equity Shares :

Name of the Share holders	As at March 31, 2020		As at March 31, 2019	
	% of Holding	Nos of Shares	% of Holding	Nos of Shares
i) Ashok Leyland Ltd (along with beneficial ownership)	100.00	13,340,360	100.00	9,000,000

d) Rights & restrictions attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. Each Shareholder is entitled for one vote per share held. As per the Companies Act, 2013 the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the event of the liquidation of the company. The Distribution will be in the proportion to the number of Equity Shares held by each shareholder.

	As at March 31, 2020 Rs. Lakhs	As at March 31, 2019 Rs. Lakhs
1.10 OTHER EQUITY		
Equity component of Non-cumulative Preference Shares	101.10	101.10
Total (A)	101.10	101.10
<u>Retained Earnings</u>		
As per the last Balance Sheet	(1,567.42)	(1,280.49)
Less: Impact of transitioning to IND AS 116 'Leases'	(29.26)	-
Less: Share Issue Expenses	(1.80)	-
Add: Net Loss for the year	(351.54)	(288.56)
<u>Items of other comprehensive Income recognized directly in the Retained earnings</u>		
Remeasurement of defined benefit obligation net of Income Tax	2.38	1.63
Balance as at the end of the year (B)	(1,947.64)	(1,567.42)
Total (A+B)	(1,846.54)	(1,466.32)

	Year ended March 31, 2020 Rs. Lakhs	Year ended March 31, 2019 Rs. Lakhs
2.1 REVENUE FROM OPERATIONS		
<u>Revenue from services</u>		
a) Aircraft Charter Income	726.65	806.22
b) Operating Expenses Reimbursement	115.94	115.36
Less: Ground Handling/Watch Extension Charges	(68.62)	(65.83)
<u>Other Operating Revenue</u>		
a) Others	-	0.50
	773.97	856.25
<u>Disaggregation of revenue</u>		
Revenue within India	773.97	840.11
Revenue outside India	-	16.14
Total revenue from contract with customers	773.97	856.25
2.2 OTHER INCOME		
a) Interest income from		
Financial asset at amortised cost		
i. Interest on Fixed Deposits	1.86	2.10
ii. interest unwinding	0.53	-
b) Other Gains and Losses		
i. Foreign exchange gain - net	-	-
ii. Others	11.79	5.27
c) Net gain arising on Mutual Funds	-	2.64
	14.18	10.01
2.3 COST OF OPERATING EXPENSES		
<u>Operating expenses:</u>		
Aircraft Fuel Expenses	167.67	189.37
Aircraft Lease	-	225.00
Aircraft Food, beverage & Other Expenses	11.36	9.79
Data Subscription	32.21	29.16
Route Navigation Facility Charges	9.84	6.81
Other Operating Expenses	58.18	54.29
	279.26	514.42
2.4 EMPLOYEE BENEFITS EXPENSE		
a) Salaries and bonus	268.02	280.40
b) Contribution to provident and other funds	4.48	3.16
c) Staff Welfare expenses	1.99	1.60
	274.49	285.16
2.5 FINANCE COSTS		
a) Interest on lease liability (Refer Note 13)	43.55	-
b) Interest on financial liabilities at amortised cost	-	24.13
c) Dividend on redeemable preference shares	10.80	13.00
d) Unwinding of Preference share liability	20.15	19.01
	74.50	56.14
2.6 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of property plant and equipment	9.45	2.50
Depreciation of Leased assets with right to use(Refer Note 13)	205.72	-
	215.17	2.50
2.7 OTHER EXPENSES		
<u>Auditor's Remuneration</u>		
- Audit Fees	1.00	1.00
- Tax Audit Fees	0.25	0.25
Rates and Taxes	0.02	5.25
Foreign Exchange Loss (net)	3.86	3.21
Insurance Charges	12.93	8.25
Legal & Professional Fees	14.53	8.31
Rent expenses (short term lease)	1.30	1.82
<u>Repairs & Maintenance</u>		
- Plant & Machinery	79.75	92.69
- Others	0.01	0.29
Consumption of spares	77.92	60.39
Telephone Expenses	1.04	1.44
Crew Accomodation and Transportation charges	64.68	60.29
Training Expenses	24.61	35.63
Allowance for doubtful debts and advances	4.20	-
Miscellaneous expenses	10.17	17.78
	296.27	296.60

3	Disclosures as required by Indian Accounting standard (Ind As) 19 employee benefits					
	(a) Defined Contribution Plan					
	The company has Defined Contribution Plan for post employment benefit i.e. Provident Fund where under the company contributes to a Government administered Provident Fund on behalf of its employees and has no further obligation beyond making its contribution. The company's contributions to the above fund are charged to the revenue every year. Contribution to Provident Fund expensed during the year Rs.4.48 Lakhs (FY'18: Rs.3.16 lakhs)					
	(b) Defined Benefit Plan					
	The Company has un-funded Defined Benefit Plans namely Gratuity and Leave encashment covering its employees, the liabilities in respect of which are determined on the basis of actuarial valuation at the year-end using Projected Unit Credit Method.					
	In accordance with Indian Accounting Standard 19 (Ind As 19) 'Employee Benefits', the Company had actuarial valuation of the liability in respect of the aforesaid defined benefit plans, using the Projected Unit Credit Method and based on the following assumptions :					
i)	Financial Assumptions					
	Particulars		Gratuity (Unfunded)		Leave encashment (Unfunded)	
			2019-20	2018-19	2019-20	2018-19
	Discount rate (per annum)		6.66%	7.65%	6.66%	7.65%
	Rate of increase in compensation levels		8%	10%	8%	10%
ii)	Demographics Assumptions					
	Particulars		Gratuity (Unfunded)		Leave encashment (Unfunded)	
			2019-20	2018-19	2019-20	2018-19
	Mortality Rate (As % of IALM (2006-08) (Mod.) Ult. Mortality		100%	100%	100%	100%
	Disability Rate (As % of above mortality rate)		0.00%	0.00%	0.00%	0.00%
	Attrition Rate		1.00%	1.00%	1.00%	1.00%
	Normal Retire Age		60	60	60	60
	Leave Encashment During the employment		-	-	0.00%	0.00%
	Leave Availment Rate		-	-	0.24%	0.24%
	Average Future Service		17.00	18.00	-	-
iii)	Changes in Present value of obligations during the year					Rs. Lakhs
	Particulars		Gratuity (Unfunded)		Leave encashment (Unfunded)	
			2019-20	2018-19	2019-20	2018-19
	Present Value of Obligations at the beginning of the year		11.30	10.13	7.20	9.38
	Interest cost		0.86	0.76	0.55	0.64
	Service cost		2.37	2.04	0.88	1.45
	Benefits paid		-	-	-	(1.74)
	Remeasurements - Due to Financial Assumptions		(1.81)	(0.22)	(1.02)	(0.15)
	Remeasurements - Due to Experience Adjustments		(0.57)	(1.41)	(0.96)	(2.39)
	Defined Benefit Obligation at the end		12.15	11.30	6.65	7.20
iv)	Changes in Fair Value of Plan Assets					Rs. Lakhs
	Particulars		Gratuity (Unfunded)		Leave encashment (Unfunded)	
			2019-20	2018-19	2019-20	2018-19
	Fair Value of Plan Assets at the beginning		-	-	-	-
	Employer Direct Benefit Payments		-	-	-	1.74
	Benefits Payment from Employer		-	-	-	(1.74)
	Fair Value of Plan Assets at the end		-	-	-	-
v)	Components of Defined Benefit Cost					Rs. Lakhs
	Particulars		Gratuity (Unfunded)		Leave encashment (Unfunded)	
			2019-20	2018-19	2019-20	2018-19
	Current Service Cost		2.37	2.04	0.88	1.45
	Total Service Cost		2.37	2.04	0.88	1.45
	Interest Expense on DBO		0.86	0.76	0.55	0.64
	Total Net Interest Cost		0.86	0.76	0.55	0.64
	Defined Benefit Cost included in P & L		3.23	2.80	1.43	2.09
	Remeasurements - Due to Financial Assumptions		(1.81)	(0.22)	(1.02)	(0.15)
	Remeasurements - Due to Experience Adjustments		(0.57)	(1.41)	(0.96)	(2.39)
	(Return) on Plan Assets (Excluding Interest Income)		-	-	-	-
	(Return) on Reimbursement Rights		-	-	-	-
	Changes in Asset Ceiling / Onerous Liability		-	-	-	-
	Total Remeasurements in OCI & P&L		(2.38)	(1.63)	(1.98)	(2.54)
	Total Defined Benefit Cost recognized in P&L and OCI		0.85	1.17	(0.55)	(0.45)
	Discount Rate		6.66%	7.65%	6.66%	7.65%
	Salary Escalation Rate		8%	10%	8%	10%
vi)	Bifurcation of Present Value of Obligations at the end of the valuation period as per Schedule III of the Companies Act, 2013					Rs. Lakhs
	Particulars		Gratuity (Unfunded)		Leave encashment (Unfunded)	
			2019-20	2018-19	2019-20	2018-19
	Current Liabilities		0.13	0.11	0.09	0.09
	Non-Current Liabilities		12.02	11.19	6.56	7.11

vii)	Amounts recognized in the statement of Financial Position	Rs. Lakhs			
	Particular	Gratuity (Unfunded)		Leave encashment (Unfunded)	
		2019-20	2018-19	2019-20	2018-19
	Defined Benefit Obligation	12.15	11.30	6.65	7.19
	Funded Status	12.15	11.30	6.65	7.19
	Net Defined Benefit Liability (Assets)	12.15	11.30	6.65	7.19
	Of which, Short term Liability	0.13	0.11	0.09	0.09
viii)	Net Defined Benefit Liability/ (Assets) reconciliation	Rs. Lakhs			
	Particular	Gratuity (Unfunded)		Leave encashment (Unfunded)	
		2019-20	2018-19	2019-20	2018-19
	Net Defined benefit Liability / (Assets) at the beginning	11.30	10.13	7.19	9.38
	Defined Benefit Cost included in P & L	3.24	2.80	1.43	2.09
	Total Remeasurements included in OCI and P&L	(2.39)	(1.63)	(1.98)	(2.54)
	Employer Direct Benefit Payments	-	-	-	(1.74)
	Net Defined benefit Liability / (Assets) at the end	12.15	11.30	6.65	7.19
ix)	Experience Adjustments on Present Value of DBP and Plan Assets	Rs. Lakhs			
	Particular	Gratuity (Unfunded)		Leave encashment (Unfunded)	
		2019-20	2018-19	2019-20	2018-19
	(Gain) / Loss on Plan Liabilities	(0.57)	(1.41)	(0.95)	(2.39)
	% of Opening Plan Liabilities	-5.07%	-13.88%	-13.24%	-25.53%
x)	Maturity Profile of Defined Benefit Obligations	Rs. Lakhs			
	Particular	Gratuity (Unfunded)		Leave encashment (Unfunded)	
	Year 1	0.13		0.09	
	Year 2	0.15		0.10	
	Year 3	0.17		0.11	
	Year 4	0.18		0.29	
	Year 5	0.21		0.13	
	Year 6	0.23		0.14	
	Year 7	0.25		0.15	
	Year 8	3.38		0.93	
	Year 9	0.23		0.16	
	Year 10	0.25		0.17	
xi)	Sensitivity Analysis Method				
	Discount Rate, Salary Escalation Rate and Attrition Rate are Significant Actuarial Assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 50 Basis Points from the assumed assumption is given below :				
xii)	Summary of Financial & Demographic Assumptions	Rs. Lakhs			
	Scenario	Gratuity (Unfunded)		Leave encashment (Unfunded)	
		DBO	Percentage Change	DBO	Percentage Change
	Under Base Scenario	12.16	0.00%	6.65	0.00%
	Salary Escalation - Up by 1%	13.00	7.00%	7.12	7.18%
	Salary Escalation - down by 1%	11.38	-6.40%	6.21	-6.57%
	Attrition Rates -Up by 1%	12.06	-0.80%	6.59	-0.79%
	Attrition Rates -down by 1%	12.26	0.80%	6.70	0.85%
	Discount Rates - Up by 1%	11.40	-6.30%	6.22	-6.39%
	Discount Rates - down by 1%	12.99	6.90%	7.11	7.04%
	Current service cost and interest expense on DBO for gratuity is recognised as part of Salaries and Wages in P&L. Current Service cost, remeasurements and interest expense on DBO for leave encashment is recognised as part of Salaries and Wages in P&L				
4	Related Party Disclosure as per IND AS 24				
	<u>Holding Company</u>				
	Ashok Leyland Ltd.				
	<u>Fellow subsidiaries</u>				
	Hinduja National Power Corporation Ltd.				
	Hinduja Leyland Finance				
	Gulf Oil Middle East Ltd				
	Gulf Oil Lubricants India Ltd				

Related Party Transactions - summary			
Transaction during the year	2019-20		2018-19
	Holding Company	Fellow subsidiaries	Holding Company
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Charter Hire income	80.05	106.21	21.21
Aircraft Lease Rental (Excluding Tax)	225.00	-	225.00
Office Rental (Excluding Tax)	0.72	-	0.48
Resource Sharing	7.39	-	-
Reimbursement of Expenses	-	-	5.25
Issue of shares	434.04	-	500.00
Total	747.20	106.21	751.94
Outstanding Balance			
Trade and other receivables	29.55	39.88	-
Trade receivables - Contract assets	-	72.97	-
Trade and other payables	8.11	-	370.37
Lease liability	372.00	-	-
Total	409.66	112.85	370.37
Key managerial Personnel:			
Sanjay Verma - CEO (With effect from March 13, 2019)			
Compensation of key managerial personnel		As at March 31, 2020	As at March 31, 2019
Short Term Employee benefits*		193.25	9.92
*The above remuneration excludes gratuity and leave encashment amounting to Rs.7.04 Lakhs as on 31-03-2020			
5	The financial statements indicate that the company has accumulated losses and its net worth has been fully eroded. The Company has incurred a net cash loss during the year and previous years and the company's current liabilities exceeded its current assets as at the Balance Sheet date. The holding Company viz. Ashok Leyland Ltd. has informed the company of its intention of providing the financial support to the company to meet its financial obligations as they fall due and accordingly the financial statements have been prepared on a going concern basis.		
6	<p>Financial Instruments - Accounting Classifications and fair value measurements</p> <p>The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.</p> <p>The following methods and assumptions were used to estimate the fair values:</p> <ol style="list-style-type: none"> 1. Fair Value of cash and short term deposits, trade and other short term receivables, trade payables other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments. 2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Base on this evaluation, allowances are taken to account for the expected losses of these receivables. <p>The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique :</p> <p>Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities</p> <p>Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly</p> <p>Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data</p>		
A) Financial Instrument by category			
Rs. Lakhs			
Particulars	As at March 31, 2020		
	FVPL	FVOCI	Amortised Cost
Financial Assets			
Security Deposits			62.65
Trade Receivables			171.96
Cash & Cash Equivalents			90.78
Total Financial Assets	-	-	325.39
Financial Liabilities			
Borrowings			601.30
Lease Liability			899.42
Trade Payables			63.21
Other financial liabilities			2.29
Total Financial Liabilities	-	-	1,566.22
Rs. Lakhs			
Particulars	As at March 31, 2019		
	FVPL	FVOCI	Amortised Cost
Financial Assets			
Security Deposits			69.35
Trade Receivables			93.91
Cash & Cash Equivalents			98.04
Other Receivables			-
Total Financial Assets	-	-	261.30
Financial Liabilities			
Borrowings			570.35
Trade Payables			447.03
Other financial liabilities			13.34
Total Financial Liabilities	-	-	1,030.72

B) Fair value measurements

Financial Assets and liabilities measured at fair value - recurring fair value measurements

Rs. Lakhs

	Carrying amount As at 31.3.2020	Fair Value		
		Level 1	Level 2	Level 3
Financial Investments at FVPL				
Unquoted equity instruments	-	-	-	-

Rs. Lakhs

	Carrying amount As at 31.3.2019	Fair Value		
		Level 1	Level 2	Level 3
Financial Investments at FVPL				
Unquoted equity instruments	-	-	-	-

7

Capital Management

The Company's aim is to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to the shareholders.

The capital structure of the Company is based on management's judgement and in order to maintain or adjust the capital structure, the Company may adjust the amount of dividend, if any, paid to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with the focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business.

8

Financial Risk Management

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company's business and operational / financial performance. These include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

a) Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the Company.

Trade receivable:

Credit risk arises from company's activities in investments and outstanding receivables from customers.

Concentration of credit risk with respect to trade receivables are limited and all trade receivables are reviewed and assessed for default on a six monthly basis.

Our Historical experience of credit risk in collecting receivables is low.

b) Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

Rs. Lakhs

	Due within 1 year	More than 1 year	Carrying amount
March 31, 2020			
Borrowings	245.30	356.00	601.30
Lease Liability	615.15	340.48	955.63
Trade Payables	63.21	-	63.21
Others	2.29	-	2.29
	925.96	696.48	1,622.43

Rs. Lakhs

	Due within 1 year	More than 1 year	Carrying amount
March 31, 2019			
Borrowings	-	570.35	570.35
Trade Payables	447.03	-	447.03
Others	2.24	11.10	13.34
	449.26	581.45	1,030.72

c) Market Risk

Market risk is the risk that changes in market prices, liquidity and other factors that could have an adverse effect on realizable fair values or future cash flows to the Company. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates as future specific market changes cannot be normally predicted with reasonable accuracy.

Foreign Currency Risk Management

The Company undertakes transactions denominated in foreign currencies and thus is exposed to exchange rate fluctuations. The carrying amounts of the Company's foreign currency denominated monetary liabilities at the end of the reporting period are as follows.

As on March 31, 2020 (all amounts are in equivalent Rs. In Lakhs):

Currency	Liability exposure on the currency
USD	21.47

As on March 31, 2019 (all amounts are in equivalent Rs. In Lakhs):

Currency	Liability exposure on the currency
USD	43.71

Foreign Currency Sensitivity Analysis

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The following table details the company's sensitivity movement in foreign currencies.

(Rs. Lakhs)

Particulars	Impact on profit and loss	
	March 31, 2019	March 31, 2020
USD sensitivity		
INR/USD - increase by 2%	(0.87)	(0.43)
INR/USD - decrease by 2%	0.87	0.43

9 Debt reconciliation

An analysis of Debt and the movement in the debt

	Rs Lakhs	
	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents	90.78	98.04
Non - Current borrowings	356.00	570.35
Current borrowings	245.30	-
Lease Liabilities	899.42	-
Net Debt	<u>1,409.94</u>	<u>472.31</u>

Rs.Lakhs

	Other assets	Liabilities from financing activities		Lease Liability	Total
	Cash and Bank Overdraft	Non - Current borrowings	Current borrowings		
Debt as at April 1, 2018	24.99	(540.53)	(225.00)	-	(740.54)
Cash flows	73.05	-	225.00	-	298.05
Interest expense	-	(29.82)	(24.13)	-	(53.95)
Interest paid	-	-	24.13	-	24.13
Equity component of non - cumulative preference share	-	-	-	-	-
Debt as at March 31, 2019	<u>98.04</u>	<u>(570.35)</u>	<u>0.00</u>	<u>(1,097.75)</u>	<u>(1,570.06)</u>
Cash flows	(7.26)	-	-	241.88	234.62
Transfer Non - Current borrowings to Current borrowings	-	245.30	(245.30)	-	-
Interest expense	-	(30.95)	-	(43.55)	(74.50)
Interest paid	-	-	-	-	-
Equity component of cumulative preference share	-	-	-	-	-
Debt as at March 31, 2020	<u>90.78</u>	<u>(356.00)</u>	<u>(245.30)</u>	<u>(899.42)</u>	<u>(1,409.94)</u>

10 IND AS 115 Disclosure

A) Contract balances

	Rs. Lakhs	
	As at March 31, 2020	As at March 31, 2019
Contract Assets	110.45	-
Trade Receivables	171.96	-
	<u>282.41</u>	

Trade Receivables are non-interest bearing and generally on terms of 7 to 15 days.

Contract Assets are unbilled revenue. Upon billing, the recognized contract assets are classified to trade receivables.

11 Income Tax reconciliation

Particulars	(Rs.in Lakhs)	
	As at 31st March 2020	As at 31st March 2019
A) Income Taxes		
Major component of Tax expenses for the year are as under :		
(i) Income tax recognised in the Statement of Profit and Loss		
Current Tax	Nil	Nil
Income Tax for Prior years	Nil	Nil
Deferred Tax	Nil	Nil
	<u>Nil</u>	<u>Nil</u>
(ii) Income tax recognised in OCI		
Income tax expenses on remeasurement of defined employee benefits plans	Nil	Nil
Income Tax expenses on Remeasurement of financial instruments	Nil	Nil
	<u>Nil</u>	<u>Nil</u>

B) Reconciliation of Tax expenses and the accounting profit for the year is as under :

Profit before tax	(351.56)	(288.56)
Income Tax exp @ 26% (P.Y. @ 26%)	(91.41)	(75.03)
Tax effect on non deductible exp	8.49	9.67
Tax Effect on Financial Assets & Liability under Ind AS-116- Net	1.66	-
Tax Effect on Carried forward Loss as per Income Tax	81.26	65.36
	(0.00)	(0.00)

C) Deferred Tax Asset is not recognized as it is not probable that there will be sufficient future taxable profit as disclosed in the following table

Particular	As at	As at
	March 31, 2020	March 31, 2019
Deferred Tax Assets on Account of		
Unabsorbed Business Loss and Depreciation Loss	148.79	67.53
Provision for Expense allowed for Tax Purpose on actual basis	5.98	4.81
Difference Between WDV of Fixed Assets as per Book and Income Tax	2.41	0.88
Recognition of Lease under Ind AS 116 (Net)	(9.53)	-
	147.66	73.22

1) These will expire in various years upto 2027-28

2) The above are gross amounts on which appropriate tax rates would apply 26 % (Tax Rate 25% plus cess 1%)

12 Earnings Per Share

	Year ended	Year ended
	March 31, 2020	March 31, 2019
	Rs. Lakhs	Rs. Lakhs
Loss after tax attributable to Equity Share holders	(351.54)	(288.56)
Weighted average number of Equity Shares outstanding during the year	1,01,41,435	42,60,274
Face Value of each Equity Shares (In Rs.)	10	10
Basic & Diluted Earnings per Share (In Rs.)	(3.47)	(6.77)

13 IND AS 116 Disclosure

Transaction were not identified as lease under IND-AS 17. Effective 01st April, 2019, the Company has adopted IND-AS 116 : "Lease" and applied to all the Lease Contracts existing on 01st April, 2019, using the Modified Retrospective Method and undertaken the cumulative adjustment to Retained Earnings, on the date of initial application. Accordingly, comparatives for the year ended 31st March, 2019 have not been retrospectively adjusted. Given below the impact upon adoption on the transition date

	As at
	March 31, 2020
Total Opening Lease Liability Recognised under Ind As 116	725.76
Total Opening Right of Use Asset (ROU) Recognised under Ind As 116	696.50
Retained Earnings	29.26
Total PV of Discounted Cashflow under Ind As 17	-
Arrangements reclassified as lease due to adoption of Ind As 116	725.76
Total Opening Lease Liability Recognised under Ind As 116	725.76

14 Amount of Rs 0.28 lakhs is due to Micro and Small Enterprises as at March 31, 2020. Amounts due to Micro and Small Enterprises have been determined to extent such parties have been identified on the basis of information collected by the management.

15 The Company has considered possible impact of known events arising from COVID 19 pandemic on the carrying amount of assets in the preparation of financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes to future economic conditions.

16 Previous year's figures have been regrouped/ re-classified to confirm to this year's classification.

As per our Report of Even Date
For Manubhai & Shah LLP
Chartered Accountants
FRN 106041W/W100136

For and on behalf of the Board

CA Laxminarayan P. Yekkali
Partner
Membership No. 114753

K C Sathiyarayanan
Director

DIN : 0008087454
Place : Chennai
Date : 05-June-2020

N Ramanathan
Director

DIN: 0007409855

Place: Mumbai
June 05, 2020

Sanjay Verma
Chief Executive Officer

R. Ravishankar
Chief Financial Officer

S. Raja
Company Secretary