

**SEL AVIATION PRIVATE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2022**

(Rs. in Lakhs)

Particulars	Note No.	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
<b>ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment		-	-
(b) Capital Work in Progress		-	-
(c) Investment Property		-	-
(d) Goodwill		-	-
(e) Other Intangible Assets		-	-
(f) Intangible Assets under Development		-	-
(g) Biological Assets Other Than Bearer Plants		-	-
(h) Financial Assets		-	-
(i) Investments		-	-
(ii) Trade Receivable		-	-
(iii) Loans		-	-
(iv) Others		-	-
(i) Deferred Tax Assets (Net)		-	-
(j) Other Non-Current Assets		-	-
<b>(2) Current Assets</b>			
(a) Inventories		-	-
(b) Financial Assets		-	-
(i) Current Investments		-	-
(ii) Trade Receivables		-	-
(iii) Cash & Cash Equivalents	4	0.06	2.29
(iv) Bank Balances other than (iii) above		-	-
(v) Loans		-	-
(vi) Others		-	-
(c) Current Tax Assets (Net)		-	-
(d) Other Current Assets	5	-	5.62
<b>TOTAL ASSETS</b>		<b>0.06</b>	<b>7.90</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	6	409.00	409.00
(b) Other Equity	7	(408.99)	(403.14)
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables		-	-
(iii) Other Financial Liabilities		-	-
(b) Provisions		-	-
(c) Deferred Tax Liabilities (Net)		-	-
(d) Other Non-Current Liabilities		-	-
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables		-	-
(1) total outstanding dues of micro enterprises and small enterprises;		-	-
(2) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	8	0.05	2.04
(c) Provisions		-	-
(d) Current Tax Liabilities (Net)		-	-
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>0.06</b>	<b>7.90</b>

See accompanying notes to the financial statements

This is the Balance Sheet referred to in our report of even date.  
for Mukesh D & Associates

Chartered Accountants  
Reg. No.: 034041N

(CA Mukesh Kumar)  
Proprietor  
M.No.: 546162

UDIN: 22546162A3XCV43264  
Place: Ludhiana  
Dated: 26.05.2022

For and on the behalf of Board of Directors

(V K Goyal)  
Director  
DIN: 02751391

(Naveen Arora)  
Director  
DIN: 09114375

**SEL AVIATION PRIVATE LIMITED**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2022**

(Rs. in Lakhs)

Particulars	Note No.	Figures for the current reporting period	Figures for the previous reporting period
I. Revenue From Operations		-	-
II. Other Income	9	-	0.01
III. Total Income (I+II)		-	0.01
IV. Expenses			
Cost of Materials Consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade		-	-
Employee Benefits Expense		-	-
Finance Cost	10	0.07	0.01
Depreciation and Amortization Expense		-	-
Other Expense	11	5.78	710.77
Total Expenses (IV)		5.85	710.78
V. Profit/(Loss) Before Exceptional Items And Tax (I-IV)		(5.85)	(710.77)
VI. Exceptional Items		-	-
VII. Profit/(Loss) Before Tax (V-VI)		(5.85)	(710.77)
VIII. Tax Expense			
a) Current Tax		-	-
IX. Profit/(Loss) for the period from Continuing Operations (VII-VIII)		(5.85)	(710.77)
X. Profit/(Loss) from Discontinued Operations		-	-
XI. Tax Expense of Discontinued Operations		-	-
XII. Profit/(Loss) from Discontinued Operations (After Tax) (X-XI)		-	-
XIII. Profit/(Loss) for the period (IX+XII)		(5.85)	(710.77)
XIV. Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss		-	-
(ii) Income Tax relating to Items that will not be reclassified to Profit or Loss		-	-
B (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income Tax relating to Items that will be reclassified to Profit or Loss		-	-
XV. Total Comprehensive Income for the Period (XIII+XIV)		(5.85)	(710.77)
XVI. Earning per Equity Share (for Continuing Operations) (Rs.)	18		
1) Basic		(0.14)	(17.38)
2) Diluted		(0.14)	(17.38)
XVII. Earning per Equity Share (for Discontinued Operations) (Rs.)			
1) Basic		-	-
2) Diluted		-	-
XVIII. Earning per Equity Share (for Discontinued & Continuing Operations) (Rs.)	18		
1) Basic		(0.14)	(17.38)
2) Diluted		(0.14)	(17.38)

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

for Mukesh D & Associates

Chartered Accountants

Reg. No.: 034041N

*Mukesh*  
(CA Mukesh Kumar)

Proprietor

M.No.: 546162

UDIN: 22546162 AJXCVA3264

Place: Ludhiana

Dated: 26.05.2022

For and on the behalf of Board of Directors

*V K Goyal*  
(V K Goyal)  
Director  
DIN: 02751391

*Naveen Arora*  
(Naveen Arora)  
Director  
DIN: 09114375

**SEL AVIATION PRIVATE LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2022**

Particulars	(Rs. In Lakhs)	
	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
<b>A Cash Flow from Operating Activities</b>		
Net Profit before Taxes & Extraordinary Items	(5.85)	(710.77)
Adjustments for Changes in Working Capital:		
Decrease/(Increase) in Other Current Assets	5.62	710.50
Decrease/(Increase) in Current Tax Assets	-	0.09
(Decrease)/Increase in Other Current Liabilities	(1.99)	(12.75)
<b>Cash Generation from Operations</b>	<b>(2.23)</b>	<b>(12.94)</b>
Taxes Paid	-	-
<b>Net Cash from Operating Activities</b>	<b>(2.23)</b>	<b>(12.94)</b>
<b>B Cash Flows from Investing Activities</b>		
Net Cash Flows from Investing Activities	-	-
<b>C Cash Flows from Financing Activities</b>		
Net Cash Flows from Financing Activities	-	-
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent</b>	<b>(2.23)</b>	<b>(12.94)</b>
Cash & Cash Equivalents - Opening Balance	2.29	15.22
Cash & Cash Equivalents - Closing Balance	0.06	2.29

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

for Mukesh D & Associates  
Chartered Accountants  
Reg. No.: 034041N

(CA Mukesh Kumar)  
Proprietor  
M.No.: 546162

UDIN: 22546162 A2XCVA3264  
Place: Ludhiana  
Dated: 26.05.2022

For and on the behalf of Board of Directors

(V K Goyal)  
Director  
DIN: 02751391

(Naveen Arora)  
Director  
DIN: 09114375

**SELAVIATION PRIVATE LIMITED**  
**STANDALONE STATEMENT OF CHANGES IN EQUITY**

A. Equity Share Capital		(In lakhs)	
(1) Current reporting period ended on 31st March, 2022		Changes in Equity Share Capital during the current year	
Balance at the beginning of the current period	409.00	Restated balance at the beginning of the current reporting period	409.00
Changes in Equity Share Capital due to prior period errors	-	Changes in Equity Share Capital during the current year	-
Balance at the end of the current period	409.00	Balance at the end of the current period	409.00

(2) Previous reporting period ended on 31st March, 2021		Changes in Equity Share Capital during the current year	
Balance at the beginning of the previous period	409.00	Restated balance at the beginning of the previous reporting period	409.00
Changes in Equity Share Capital due to prior period errors	-	Changes in Equity Share Capital during the current year	-
Balance at the end of the previous period	409.00	Balance at the end of the previous period	409.00

**B. Other Equity**

Particulars	Reserves and Surplus				Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other Items of Other Comprehensive Income	Total
	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Securities Premium							
Balance at the beginning of the current period	-	-	-	1,037.54	-	(1,440.69)	-	-	-	-	(403.14)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 01.04.2021	-	-	-	1,037.54	-	(1,440.69)	-	-	-	-	(403.14)
Total Comprehensive Income for the year	-	-	-	-	-	(5.85)	-	-	-	-	(5.85)
Dividends	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current period	-	-	-	1,037.54	-	(1,446.54)	-	-	-	-	(408.99)

**(2) Previous reporting period ended on 31st March, 2021**

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus			Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other Items of Other Comprehensive Income	Total
			Capital Reserve	Securities Premium	General Reserve							
Balance at the beginning of the previous period	-	-	-	1,037.54	-	(729.91)	-	-	-	-	-	307.63
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 01.04.2020	-	-	-	1,037.54	-	(729.91)	-	-	-	-	-	307.63
Total Comprehensive Income for the year	-	-	-	-	-	(710.77)	-	-	-	-	-	(710.77)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the previous period	-	-	-	1,037.54	-	(1,440.69)	-	-	-	-	-	(403.14)

This is the Balance Sheet referred to in our report o

for Mukesh D. & Associates

Chartered Accountants

Reg. No.: 03/0041N

(CA Mukesh Kumar)

Proprietor

M.No.: 546162

Place: Ludhiana

Dated: 26.05.2022

and on the behalf of Board of Directors

(Naveen Arora)

Director

DIN: 09114375

(V K Goyal)

Director

DIN: 02751391

UDIN: 22546162 ADXCVA 3264

## CASH &amp; CASH EQUIVALENTS

NOTE NO. - 4

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
Cash in Hand	-	1.65
Balances with Scheduled Banks	0.06	0.63
<b>TOTAL</b>	<b>0.06</b>	<b>2.29</b>

## OTHER CURRENT ASSETS

NOTE NO. - 5

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
(Unsecured, considered good) Statutory Dues & Taxes	-	5.62
<b>TOTAL</b>	<b>-</b>	<b>5.62</b>

## EQUITY SHARE CAPITAL

NOTE NO. - 6

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
(a) Authorised 15,000,000 Equity Shares	1,500.00	1,500.00
(b) Issued, Subscribed & Paid up 4,090,000 Equity Shares fully paid up.	409.00	409.00
(c) Par Value per Share is Rs. 10/-		
(d) Reconciliation of the number of equity shares outstanding		
Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
	Shares      Amount	Shares      Amount
Shares outstanding at the beginning of the year	40,90,000      409.00	40,90,000      409.00
Add: Addition during the year	-      -	-      -
	40,90,000      409.00	40,90,000      409.00
Less: Deduction during the year	-      -	-      -
Shares outstanding at the end of the year	40,90,000      409.00	40,90,000      409.00
(e) Shares in the company held by each shareholder holding more than 5% shares		
(i) SEL Manufacturing Co. Ltd. (Holding Company)	97.54%	

## OTHER EQUITY

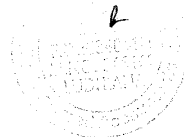
NOTE NO. - 7

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
(a) Securities Premium		
Opening Balance	1,037.54	1,037.54
Add: Addition during the year	-	-
	1,037.54	1,037.54
Less: Deduction during the year	-	-
	1,037.54	1,037.54
(b) Retained Earnings		
Opening Balance	(1,440.69)	(729.91)
Add: Addition during the year	-	-
	(1,440.69)	(729.91)
Less: Deduction during the year	5.85	710.77
	(1,446.54)	(1,440.69)
<b>TOTAL</b>	<b>(408.99)</b>	<b>(403.14)</b>

## OTHER CURRENT LIABILITIES

NOTE NO. - 8

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
Others	0.05	2.04
<b>TOTAL</b>	<b>0.05</b>	<b>2.04</b>



OTHER INCOME		NOTE NO. - 9	
Particulars	Figures for the current reporting period	Figures for the previous reporting period	
Interest	-	0.01	
<b>TOTAL</b>	-	<b>0.01</b>	

FINANCIAL EXPENSES		NOTE NO. - 10	
Particulars	Figures for the current reporting period	Figures for the previous reporting period	
Bank Charges	0.07	0.01	
<b>TOTAL</b>	<b>0.07</b>	<b>0.01</b>	

OTHER EXPENSES		NOTE NO. - 11	
Particulars	Figures for the current reporting period	Figures for the previous reporting period	
Fees & Taxes	0.01	0.02	
Legal & Professional Charges	0.10	0.15	
Auditors' Remuneration			
Audit Fee	0.05	0.10	
Advances Given Written Off	5.62	710.50	
<b>TOTAL</b>	<b>5.78</b>	<b>710.77</b>	



**NOTES TO THE FINANCIAL STATEMENTS****1. Corporate Information**

SEL Aviation Private Limited (the Company) is a private limited company incorporated in India under the provisions of the Companies Act, applicable in India. The Corporate Identification Number (CIN) of the company is U93000PB2008PTC031580. The registered office of the company is located at 274, G.T.Road, Dhandari Khurd, Ludhiana, Punjab. The Company is engaged in the business of aviation sector.

**2. Significant Accounting Policies****2.1 Basis of Preparation**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements are presented in Indian Rupees ("INR"), which is the Company's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

**2.2 Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**2.3 Revenue Recognition**

Revenue from contract with customers is recognized when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognized as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

**Aircraft Income:** Passenger Income is recognized on flown basis, i.e. when the services are rendered.

**Interest income:** Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**2.4 Fair value of financial instruments**

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market prices at the close of business on the statement of financial position date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

**2.5 Property, Plant and Equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively if appropriate.



Depreciation on the property, plant and equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013. Property, plant and equipment which are added/ disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition/deletion. The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit or net loss in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

## 2.6 Accounting for Taxes on Income

### Current Tax

Current Tax is determined as the amount of tax payable in respect of taxable income for the period after considering tax allowances & exemptions.

### Deferred Tax

Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods, are recognized using the tax rates and tax laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Assets are recognized and carried forward only if there is a virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

## 2.7 Impairment of Assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

## 2.8 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position include cash in hand and at bank.

## 2.9 Provisions and Contingent Liabilities & Contingent Assets

### Contingent Liabilities

- (a) Provisions are recognized for liabilities that can be determined by using a substantial degree of estimation, if:
- (i) The company has a present obligation as a result of a past event;
  - (ii) A probable outflow of resources embodying economic benefits is expected to settle the obligation; and
  - (iii) The amount of the obligation can be reliably estimated
- (b) Contingent liability is disclosed in the case of:
- (i) a present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
  - (ii) a possible obligation, unless the probability of outflow of resources embodying economic benefits is remote.

### Contingent Assets

Where an inflow of economic benefit is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of reporting period, and, where practicable, an estimate of their effect, measured using the principles set out as per provisions.

## 2.10 Earnings per share

Basic earning per share is computed by dividing the net profit from the continuing operations attributable to equity shareholders by the weighted average number of shares outstanding during the period. Diluted earning per share is computed by taking into account the aggregate of the weighted average numbers of equity shares outstanding during the period.





**2.11 Aircraft Maintenance and Repair Costs**

Aircraft Maintenance and Repair costs are expensed on incurrence as incurred.

**2.12 Leases**

Assets acquired on leases wherein a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating leases. Lease rentals paid for such leases are recognized as an expense on systematic basis over the term of lease.

**2.13 Financial instruments:****(i) Financial assets:****Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

**Subsequent measurement**

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
  - Financial assets at amortized cost
- Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- **Cash flow characteristics test:** 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.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** 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.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and loss, except for those equity investments for which the entity has elected to present value changes in "other comprehensive income".



If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

**Derecognition:** A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either;

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement. It evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**(ii) Financial liabilities:**

**Initial recognition and measurement**

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and redeemable preference shares.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied.

**Derecognition:** A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**2.14 Cash flow statement**

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS)-7 "Statement of Cash flows" using the indirect method for operating activities.

**2.15 Global health pandemic on Covid -19:** The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In assessing the recoverability of Company's assets such as financial asset and non-financial assets, the Company has considered internal and external information. The Company has evaluated impact of this pandemic on its business operations and based on its



review and current indicators of future economic conditions, there is no significant impact on its financial statements and the Company expects to recover the carrying amount of all the assets.

### 3. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The principal accounting policies adopted by the Company in the financial statements are as set out above. The application of a number of these policies requires the Company to use a variety of estimation techniques and apply judgement to best reflect the substance of underlying transactions.

The Company has determined that a number of its accounting policies can be considered significant, in terms of the management judgement that has been required to determine the various assumptions underpinning their application in the financial statements presented which, under different conditions, could lead to material differences in these statements. The actual results may differ from the judgements, estimates and assumptions made by the management and will seldom equal the estimated results.

#### Judgements

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

**Deferred Tax Assets:** The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's forecast, which is adjusted for significant non-taxable income and expenses, and specific limits to the use of any unused tax loss or credit. The tax rules in India in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

#### Estimates and assumptions

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the uncollectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. Similarly, the Company provides for inventory obsolescence and inventories with carrying values in excess of net realizable value based on assessment of the future demand, market conditions and specific inventory management initiatives. If market conditions and actual demands are less favorable than the Company's estimates, additional inventory provisions may be required. In all cases inventory is carried at the lower of historical cost and net realizable value.

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- i) Recoverability of deferred tax assets: The recognition of deferred tax assets requires assessment of future taxable profit.
- ii) Estimation of fair value of financial assets and financial liabilities: while preparing the financial statements the Company makes estimates and assumptions that affect the reported amount of financial assets and financial liabilities



17. The related party disclosure in accordance with Indian Accounting Standard (Ind AS)-24 "Related Party" issued by the Institute of Chartered Accountants of India is given below:

Sr. No.	Name of Related Party	Relationship
1	SEL Manufacturing Co. Ltd.	Holding Company
2	Mr. V K Goyal Mr. Naveen Arora Mrs. Simmi Cheema	Key Management Personnel

18. **Earnings Per Share:** The calculation of Earnings per Share as disclosed in the statement of Profit & Loss has been in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning per Share" issued by the Institute of Chartered Accountants of India. A statement on calculation of Basic & Diluted EPS is as under:

Particulars		March 31, 2022	March 31, 2021
Face value of equity shares	Rs.	10	10
Weighted average number of equity shares outstanding	Nos.	4,090,000	4,090,000
Profit/(Loss) for the year (continuing operations)	Lakhs	(5.85)	(710.77)
Weighted average earnings per shares (basic and diluted)	Rs.	(0.14)	(17.38)
Profit/(Loss) for the year (Discontinued operations)	Lakhs	-	-
Weighted average earnings per shares (basic and diluted)	Rs.	-	-
Profit/(Loss) for the year (total operations)	Lakhs	(5.85)	(710.77)
Weighted average earnings per shares (basic and diluted)	Rs.	(0.14)	(17.38)

19. The outbreak of COVID-19 pandemic across the country where the Company has its operations resulted in the Governments taking significant measures to contain the spread of the virus including imposing mandatory lockdowns and restricting economic activities. Consequently, the Company's manufacturing and distribution operation has to be scaled down for a considerable period during the year. Though, the operations resumed during the year with limited availability of work force and disrupted supply chain, the restrictions imposed adversely impacted the Company's sales volume, mix and realization. In assessing the recoverability of Company's assets such as trade receivable, inventories etc. the Company has considered internal and external information upto the date of these financial statements. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount, as at 31st March 2022, of the assets. However, the management will continue to closely monitor the evolving situation and assess its impact on the business of the Company.

#### 20. Financial Risk Management

The management of the company set out the company's overall business strategies and its risk management policy. The Company's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the company. The company policies include financial risk management policies covering specific areas, such as market risk (including interest risk, liquidity risk and credit risk). Periodic reviews are undertaken to ensure that the company's policy guidelines are complied with.

There has been no change to the company's exposure to the financial risks or the manner in which it manages and measures the risk. The company is exposed to the following risks related to financial instruments. The company has not framed formal risk management policies; however, the risks are monitored by management on a continuous basis. The company does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

- a) **Liquidity risk management:** The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.
- b) **Credit Risk Management:** Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of



customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. With respect to credit risk arising from the other financial assets of the company, including cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.


- c) **Capital risk management:** The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

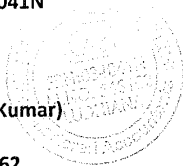
No Changes were made in the objectives, policies or processes during the years ended 31st March 2022 and 31st March 2021.

21. In the current year, the Company didn't operate any business. Therefore, no analytical ratios were calculated.
22. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/presentation.
23. Note No. 1 to 22 forms integral part of balance sheet and statement of profit /loss.


Subject to our Separate  
Report of Even Date

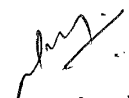
For Mukesh D & Associates  
Chartered Accountants  
Reg.No.: 034041N

  
(CA Mukesh Kumar)  
Partner  
M. No.: 546162



For and on the behalf of Board

  
(V K Goyal)  
Director  
DIN: 02751391

  
(Naveen Arora)  
Director  
DIN: 09114375

UDIN: 22546162 ADXCVA 326 4  
Place: Ludhiana  
Date : 26.05.2022

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of SEL Aviation Private Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of **SEL Aviation Private Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022, and the statement of Profit and Loss, the statement of Changes in Equity and the statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its loss, its changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibility of Management for Financial Statements**

The Company's Board of Directors is responsible for the matter stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

That Board of Directors is also responsible for overseeing the company's financial reporting process.



**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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 financial statements.

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

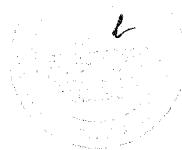
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 the paragraph 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 purpose of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.
  - e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position in its financial statements;
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;





**MUKESH D & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

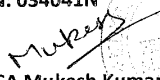
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Civil Hospital, Adj. Gurmail Medical  
Store, Ludhiana-141008, Punjab.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend (including interim and final dividend) during the year.

Place: Ludhiana  
Date: 26.05.2022

For Mukesh D & Associates  
Chartered Accountants  
FRN: 034041N

  
(CA Mukesh Kumar)  
Proprietor

M.No.: 546162

UDIN: 22546162 AJXCVA3264

**Annexure - A to the Independent Auditors' Report**

The Annexure referred to in our report to the members of SEL Aviation Private Limited for the year ended on 31st March, 2022. We report that:

- (i) The Company has no Property, Plant and Equipment and Intangible Assets. Therefore the provisions of clause 3 (i) of the order are not applicable to the Company.
- (ii) (a) According to the information and explanation given to us, the Company has no inventories. Therefore the provisions of clause 3 (ii)(a) of the order are not applicable to the Company.  
(b) According to the information and explanation given to us, the Company has not been sanctioned working capital limits in excess of Rs 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the order is not applicable.
- (iii) In our opinion and according to the information and explanation given to us, the Company has not made investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnership or any other parties and hence reporting under clause 3(iii) of the order is not applicable.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act in respect of loans, investments, guarantees and security.
- (v) The Company has not accepted deposits or amounts which are deemed to be deposits from the public within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules there under. No order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) We have broadly reviewed the books of accounts maintained by the Company, no manufacturing activities has been made during the year. We have broadly reviewed the accounts and records of the Company in this connection and we are of opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) According to the information and explanation given to us and the books and records examined by us, we state that the company is regular in depositing undisputed statutory dues including Goods and Services Tax, Income Tax, and Other Statutory Dues to the appropriate authorities. According to the information and explanation given to us, there were no undisputed amounts payable in respect of Goods and Services Tax, Income-tax, and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.  
(b) There are no statutory dues referred to in sub clause (a) which have not been deposited on account of any disputes.
- (viii) According to the information and explanation given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.



**MUKESH D & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

House No. 1871, Islam Ganj, Near  
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Store, Ludhiana-141008, Punjab.

- b) In our opinion and according to the information and explanation given to us, the Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- c) In our opinion and according to the information and explanation given to us, the Company has not taken any term loans during the year.
- d) In our opinion and according to the information and explanation given to us, no funds raised on short term basis have been utilized for long term purposes during the year by the Company.
- e) In our opinion and according to the information and explanation given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) In our opinion and according to the information and explanation given to us, the Company has not raised any loans during the year on pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) a) In our opinion and according to the information and explanation given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year and hence reporting under clause(x)(a) of the order is not applicable.
- b) In our opinion and according to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause(x)(b) of the order is not applicable.
- (xi) a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) In our opinion and according to the information and explanation given to us, no whistle-blower complaints received during the year by the Company.
- (xii) In our opinion, the Company is not a Nidhi Company and hence reporting under clause(xii) of the order is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act where applicable and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- b) To the best of our knowledge we have considered the reports of the Internal Auditors for the period under audit.



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House No. 1871, Islam Ganj, Near  
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Store, Ludhiana-141008, Punjab.

- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence reporting under clause (xv) of the order is not applicable.
- (xvi) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and hence reporting under clause(xvi)(a),(b),(c) and (d) of the order is not applicable.
- (xvii) In our opinion and according to the information and explanation given to us, the Company has incurred cash losses during the financial year covered by our audit and immediately preceding financial year.
- (xviii) There has been no resignation of statutory auditors of the Company during the year; hence reporting under clause (xviii) of the order is not applicable.
- (xix) Refer to note no. 21 of the financial statements alongwith other information accompanying the financial statements and on the basis of our knowledge of the Board of Directors and Management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanation given to us, the provisions of Section 135(5) of Companies Act are not applicable to the Company and hence reporting under clause (xx) of the order is not applicable.

Place: Ludhiana  
Date: 26.05.2022

For Mukesh D & Associates  
Chartered Accountants  
FRN: 034041N

*Mukesh*  
(CA Mukesh Kumar)  
Proprietor

M.No.: 546162

UDIN: 22546162 AJXCVA3264

**Annexure - B to the Independent Auditors' Report**

(Referred to in Paragraph (f) under the "Report on other legal and regulatory requirements" section of our report to the members of SEL Aviation Private Limited of even date)

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

We have audited the internal financial controls over financial reporting of **SEL Aviation Private Limited** ("the Company") as of 31st March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles including the accounting standards. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles including the accounting standards, and that receipts and expenditures of the company are being made



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Store, Ludhiana-141008, Punjab.

only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

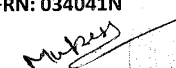
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, 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.

Place: Ludhiana  
Date: 26.05.2022

For Mukesh D & Associates  
Chartered Accountants  
FRN: 034041N

  
(CA Mukesh Kumar)  
Proprietor

M.No.: 546162

UDIN: 22546162AJX2VA3264