

## INDEPENDENT AUDITORS REPORT

To The Members of AEROTEK SIKA AVIOSYSTEMS PRIVATE LIMITED

### **Report on the Financial Statements**

We have audited the accompanying financial statements of AEROTEK SIKA AVIOSYSTEMS PRIVATE LIMITED (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management’s Responsibility for the Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in Section 134[5] of the Companies Act, 2013 [“the Act”] with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified u/s 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities: selection and application of appropriate accounting policies: making judgments and estimates that are reasonable and prudent: and design, implementation and maintenances of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016. and its profit/loss and its cash flows for the year ended on that date.

## **Report on Other-Legal and Regulatory Requirements**

1. As required by the Companies ( Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure -A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in the annexure, as required by Sec. 143(3) of the Act, We report that :
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified u/s. 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Sec.164[2] of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure - B'

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies [Audit and Auditors] Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
- i. The Company does not have any pending litigations which would impact its financial position..
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For M/s. B.SRINIVASULU & Co.,

**Chartered Accountants**

**FRN : 007715S**

**Date:30/05/2016**

**Place: Bangalore**

**CA.B.SRINIVASULU**

**Proprietor**

**M.No.202711**

## **'Annexure - A' to the Auditor's report**

(Referred to in paragraph (1) under 'Report on other legal and regulatory requirements' of our report of even date)

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report the following:

### **1. FIXED ASSETS**

The Company has no Fixed Assets and therefore Paragraph 3(1a), 3(1b) and 3(1c) of CARO is not applicable.

The Company is in the process of setting up its plant and entire purchases related to Fixed Assets has been shown under Capital Work-in-progress and the amounts will be transferred to respective assets on completion of the work. The Company is having proper records towards amounts spent till the date of Balance Sheet.

### **2. INVENTORY**

The nature of transactions of the Company is service oriented and it does not hold any Inventory. Paragraph 3(2) is therefore not applicable to the Company.

### **3. CONTRACTS OR ARRANGEMENTS ENTERED WHERE DIRECTORS ARE INTERESTED**

The Company has entered into marketing agreement with,

(a) Sikka N Sikka Engineers Private Limited and received security deposit of Rs.30,00,000/- (Rupees Thirty Lakhs Only).

(b) Sika Interplant Systems Limited and received security deposit of Rs.10,00,000/- (Rupees Ten Lakhs Only).

In our opinion the terms and conditions are not prejudicial to the interest of the Company.

The Company has not granted loans, secured or unsecured, to companies, firms, LLP's or other parties covered in the register maintained u/s.189 of the Act.

#### **4. LOANS, INVESTMENTS, GUARANTEES AND SECURITY PROVIDED TO DIRECTORS OR RELATIVES OF DIRECTORS OR DIRECTOR INTERESTED CONCERNS**

The Company has entered into marketing agreement with,

- (a) Sikka N Sikka Engineers Private Limited and received security deposit of Rs.30,00,000/- (Rupees Thirty Lakhs Only).
- (b) Sika Interplant Systems Limited and received security deposit of Rs.10,00,000/- (Rupees Ten Lakhs Only).

In our opinion the terms and conditions are not prejudicial to the interest of the Company.

#### **5. DEPOSITS**

The Company has not accepted any deposits to which the provisions of S.73 to 76 or any other relevant provisions of the Act and the rules framed there under and the directions issued by the RBI are applicable. Hence paragraph 3 (5) of CARO is not applicable to the Company.

#### **6. COST RECORDS**

The Central Government has not prescribed maintenance of cost records u/s 148(1) of the Act for any of the products/services of the Company. Thus, paragraph 3(6) of CARO is not applicable to the Company

#### **7. STATUTORY DUES**

- (a) Undisputed statutory dues including PF, or ESI, income-tax, sales-tax, service tax, duty of custom, duty of excise, VAT, cess have been regularly deposited by the Company with the appropriate authorities in all cases during the year.
- (b) There are no dues of income tax, sales tax, service tax, customs duty, excise duty and VAT which have not been deposited on account of any dispute.

#### **8. REPAYMENT OF DUES TO BANKS OR FINANCIAL INSTITUTIONS**

The Company had no loans from a Financial Institution or Bank or Government or dues to Debenture holders & therefore paragraph 3(8) is not applicable to the Company

#### **9. INITIAL PUBLIC OFFER AND TERM LOANS**

The Company has not raised any moneys by way of Initial Public Offer/Further Public Offer and term loans during the year. Paragraph 3(9) of the Order is therefore not applicable to the Company.

#### **10. FRAUD**

Based upon the audit procedures performed, we report that no fraud by the Company and no fraud on the Company by; its officers/employees has been noticed or reported during the course of our audit.

#### **11. MANAGERIAL REMUNERATION**

The provisions of S.197 wrt Managerial Remuneration does not apply to Private Limited Companies. Para 3(11) of the Order is therefore not applicable to the Company

#### **12. NIDHI COMPANY**

The Company is not a Nidhi Co. and therefore clause 3(12) of the Order is not applicable to the Company.

#### **13. RELATED PARTY TRANSACTIONS**

In our opinion, all the Related Party Transactions entered into by the Company during the year are in compliance with the provisions S. 188 of the Act and the details thereof have been disclosed in the Financial Statements as required by the Accounting Standards. Further, in our opinion, the provisions of S. 177 of the Act are not applicable as the Company is a Private Limited Company.

#### **14. PREFERENTIAL ALLOTMENT OR PRIVATE PLACEMENT OF SHARES AND ITS UTILISATION**

The Company has not made any preferential allotment / private placement of shares during the year and therefore clause 3(14) of the Order is not applicable to the Company.

#### **15. NON-CASH TRANSACTIONS WITH RELATEDPARTIES**

The Company has not entered into any non-cash transactions with directors/persons connected with him as stipulated u/s.192 of the Act. Clause 3(15) of the Order is therefore not applicable to the Company.

**16. REGISTRATION U/S 45 IA OF THE RBI ACT, 1934**

In our opinion, the Company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934.

For M/s. B.SRINIVASULU & Co.,

**Chartered Accountants**

**FRN : 007715S**

**Date:30/05/2016**

**Place: Bangalore**

**CA.B.SRINIVASULU**

**Proprietor**

**M.No.202711**



**‘Annexure - B’ to the Independent Auditor’s Report of Even Date On The  
Financial Statements of AEROTEK SIKA AVIOSYSTEMS PRIVATE LIMITED**

**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 AEROTEK SIKA AVIOSYSTEMS PRIVATE LIMITED (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company’s management is responsible for establishing and maintaining internal financial controls. 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.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards and Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI. 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

assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **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 controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016.

For M/s. B.SRINIVASULU & Co.,

**Chartered Accountants**

**FRN : 007715S**

**Date:30/05/2016**

**Place: Bangalore**

**CA.B.SRINIVASULU**

**Proprietor**

**M.No.202711**

**AEROTEK SIKA AVIOSYSTEMS PRIVATE LIMITED**

**Balance Sheet as at 31st March 2016**

Particulars	Note No	Current reporting period	Previous reporting period
<b>I.EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	1,50,00,000	-
(b) Reserves and Surplus	3	(84,123)	-
<b>(2) Non-Current Liabilities</b>			
(a) Security Deposits	4	40,00,000	-
<b>(2)Current Liabilities</b>			
(a) Other Current Liabilities	5	2,77,095	-
(b) Trade Payables	6	34,74,206	-
<b>Total</b>		<b>2,26,67,179</b>	<b>-</b>
<b>II.ASSETS</b>			
<b>(1)Non Current Assets</b>			
(a) Fixed Assets	7		
(i) Tangible Assets		-	-
(ii) Intangible Assets		-	-
(iii) Capital Work-in-progress		1,77,19,716	
(b) Long Term Loans and Advances	8	11,341	-
<b>(2)Current Assets</b>			
(a) Other Current Assets	9	12,43,404	-
(c) Cash and Cash Equivalent	10	36,92,718	-
<b>Total</b>		<b>2,26,67,179</b>	<b>-</b>

Significant Accounting Policies and  
Notes on Financial Statements

1 to 19

-

Schedules referred to above form an integral part of this Balance Sheet  
As per our report of even date

For and on behalf of  
B.SRINIVASULU & CO.,  
Chartered Accountants  
FRN - 007715S

For and on behalf of the board

CA.B.Srinivasulu  
Proprietor  
M.No.202711

KUNAL SIKKA  
Director  
DIN: 05240807

DINESH R.G.BALARAJ  
Director  
DIN:07214903

Place: Bangalore  
Date : 30/05/2016

**AEROTEK SIKKA AVIOSYSTEMS PRIVATE LIMITED**  
**Statement of Profit and Loss for the Year ended 31st March 2016**

Particulars	Note No	Current reporting period	Previous reporting period
I.Revenue from Operations	11	-	-
II.Other Income	12	1,21,470	-
<b>III.Total Revenue (I +II)</b>		<b>1,21,470</b>	-
<b>IV.Expenses:</b>			
Other Expenses	13	3,55,382	-
<b>Total Expenses</b>		<b>3,55,382</b>	-
V. Profit Before Tax (III-IV)		<b>(2,33,913)</b>	-
VI.Tax Expense			
(1) Current Tax Expenses		-	-
(2) Current Tax Income for Earlier Year			
VII.Profit for the Period		<b>(2,33,913)</b>	-
VIII.Earning per Equity Share:	14		
(1) Basic		(1.56)	-
(2) Diluted		(1.56)	-

Significant Accounting Policies and  
Notes on Financial Statements

1 to 19

Schedules referred to above form an integral part of this Statement of Profit and Loss  
As per our report of even date

For and on behalf of  
B.SRINIVASULU & CO.,  
Chartered Accountants  
FRN - 007715S

For and on behalf of the board

CA.B.Srinivasulu  
Proprietor  
M.No.202711

KUNAL SIKKA  
Director  
DIN: 05240807

DINESH R.G.BALARAJ  
Director  
DIN:07214903

Place: Bangalore  
Date : 30/04/2016

AEROTEK SIKA AVIOSYSTEMS PRIVATE LIMITED  
Cash Flow Statement For The Year Ended 31st March,2016

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
<b>A] CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income/(loss)before Taxation and Extraordinary items	(2,33,913)	-
<b>Add/(Less) : Adjustments for :-</b>		
<b>Operating Profit/(Loss) Before Working Capital Changes</b>	<b>(2,33,913)</b>	<b>-</b>
<b>Changes in Working Capital</b>		
<b>Adjustments for (increase)/decrease in operating assets</b>		
Increase in Current Assets	-12,43,404	-
Increase in Long Term Loans and Advances	-11341	-
<b>Adjustments for increase/(decrease) in operating liabilities</b>		
Increase in Other Current Liabilities	277095	-
Increase in Trade Payables	3474206	-
Increase in Security Deposits	4000000	-
<b>Cash generated from operations</b>	<b>62,62,644</b>	<b>-</b>
Less : Tax Adjustment (paid)/refund	-	-
<b>NET CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES</b>	<b>62,62,644</b>	<b>-</b>
<b>B] CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES</b>		
Investment in Capital Work In Progress	-1,77,19,716	-
<b>NET CASH FLOW FROM/ (USED IN ) INVESTING ACTIVITIES</b>	<b>(1,77,19,716)</b>	<b>-</b>
<b>C] CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from Issue Of Share Capital	1,50,00,000	-
Proceeds from Share Premium	1,49,790	-
<b>NET CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES</b>	<b>1,51,49,790</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>36,92,718</b>	<b>-</b>
Add: Cash and Cash Equivalents at beginning of the year	-	-
<b>Cash and Cash Equivalents at end of the year*</b>	<b>36,92,718</b>	<b>-</b>
* Comprises:		
(a) Cash on hand	296	-
(b) Balances with banks		
- In current accounts	36,92,422	-
	<b>36,92,718</b>	<b>-</b>

As per our report of even date  
For and on behalf of  
M/s. B.Srinivasulu and Co.,  
Chartered Accountants  
FRN : 007715S

For and on behalf of the board

CA.B.Srinivasulu  
Proprietor  
M.No.202611

Rajeev Sikka  
Director

R.N.Chawhan  
Director

Place : Bangalore  
Date:30.05.2016

Kunal Sikka  
Director

**AEROTEK SIKKA AVIOSYSTEMS PRIVATE LIMITED**

Notes to Financial Statements for the Year ended 31st March, 2016

Particulars	Current reporting period	Previous reporting period
<b>2.SHARE CAPITAL</b>		
<b>Equity Shares with Voting Rights</b>		
<b>Authorised</b> (1,50,000 Equity shares of Rs. 100/- each)	1,50,00,000	-
	<b>1,50,00,000</b>	<b>-</b>
<b>Equity Shares with Voting Rights</b>		
<b>Issued and Subscribed</b> (1,50,000 Equity shares of Rs. 100/- each)	1,50,00,000	-
	<b>1,50,00,000</b>	<b>-</b>
<b>Equity Shares with Voting Rights</b>		
<b>Paid up</b> (1,50,000 Equity shares of Rs. 100/- each)	1,50,00,000	-
<b>TOTAL</b>	<b>1,50,00,000</b>	<b>-</b>

**Details of Shareholders holding more than 5% shares**

Name of the Shareholder	No of Shares	% held
<b>Equity Shares with Voting Rights</b>		
<b>As at 31st March 2016</b>		
Sika Interplant Systems Limited	46,290	30.86%
Sikka N Sikka Engineers Private Limited	30,000	20.00%
Aerotek Aviation Engineering Limited	73,100	48.73%

**Reconciliation of number of shares outstanding at the beginning and at the end of the year**

Particulars	Current reporting period	Previous reporting period
Opening Balance	-	-
Add. Issued during the year	1,50,000	-
Less. Bought back during the year	-	-
Closing Balance	1,50,000	-

**AEROTEK SIKKA AVIOSYSTEMS PRIVATE LIMITED**  
**Notes to Financial Statements for the Year ended 31st March, 2016**

Particulars	Current reporting period	Previous reporting period
<b>3.RESERVES AND SURPLUS</b>		
<b>Surplus/(Deficit) as per Statement of Profit and Loss</b>		
Opening Balance	-	
Add: Share Premium Account	1,49,790	
Add: Transferred from Statement of Profit and Loss	(2,33,913)	-
<b>TOTAL</b>	<b>(84,123)</b>	<b>-</b>

Particulars	Current reporting period	Previous reporting period
<b>4. SECURITY DEPOSIT</b>		
Sika Interplant Systems Limited	10,00,000	
Sikka N Sikka Engineers Private Limited	30,00,000	
<b>TOTAL</b>	<b>40,00,000</b>	<b>-</b>

Particulars	Current reporting period	Previous reporting period
<b>5.OTHER CURRENT LIABILITIES</b>		
Payable to Employees	2,28,669	
Audit fees payable	11,500	
Professional Tax	1,000	
TDS - Contractors	5,776	
TDS - Profession	22,150	
TDS - Salary	8,000	
<b>TOTAL</b>	<b>2,77,095</b>	<b>-</b>

Particulars	Current reporting period	Previous reporting period
<b>6. TRADE PAYABLES</b>	<b>34,74,206</b>	
<b>TOTAL</b>	<b>34,74,206</b>	<b>-</b>

**AEROTEK SIKA AVIOSYSTEMS PRIVATE LIMITED**

Notes to Financial Statements for the Year ended 31st March, 2016

Particulars	Current reporting period	Previous reporting period
<b>8.LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured and Considered Good</b>		
Balances with Government Authorities		
<b>Security Deposits</b>		
Sales Tax Deposit	7,500	
Telephone Deposit	3,841	
<b>TOTAL</b>	<b>11,341</b>	-

Particulars	Current reporting period	Previous reporting period
<b>CURRENT ASSETS</b>		
<b>9. OTHER CURRENT ASSETS</b>		
IMPREST A/c	20,190	-
Service Tax	5,688	-
Cenvat Credit	7,16,730	
Preliminary Expenses	11,500	
Advances paid to Creditors	4,89,296	
<b>TOTAL</b>	<b>12,43,404</b>	-

Particulars	Current reporting period	Previous reporting period
<b>10.CASH AND CASH EQUIVALENTS</b>		
<b>Cash on hand</b>	296	-
<b>Balances with Banks</b>		
<u>In Current Accounts:</u>		-
Canara Bank - 1420201100420	13,713	
Canara Bank - 1927201010533	5,20,125	
Canara Bank - 1927201010537	8,584	
Fixed Deposits	31,50,000	
<b>TOTAL</b>	<b>36,92,718</b>	-



**AEROTEK SIKA AVIOSYSTEMS PRIVATE LIMITED**

**Notes to Financial Statements for the Year ended 31st March, 2016**

Particulars	Current reporting period	Previous reporting period
<b>11.REVENUE FROM OPERATIONS</b>		
Service Charges		
<b>TOTAL</b>	-	-

Particulars	Current reporting period	Previous reporting period
<b>12.OTHER INCOME</b>		
Foreign Exchange Difference	65,148	
Interest from banks		
-From Deposits	56,322	-
<b>TOTAL</b>	<b>1,21,470</b>	-

Particulars	Current reporting period	Previous reporting period
<b>13.OTHER EXPENSES</b>		
Bank Charges	7,088	
Professional Fees	48,500	
Rates and Taxes	2,87,908	-
Swach Bharath Cess	386	
<b>Payment to Auditors</b>		
Statutory Audit Fees	11,500	-
<b>TOTAL</b>	<b>3,55,382</b>	-

Particulars	Current reporting period	Previous reporting period
<b>14.EARNINGS PER SHARE</b>		
a.For Basic Earnings Per Share	1,50,00,000	-
b.For Diluted Earnings Per Share	1,50,00,000	-
III.Earnings Per Share (Face Value of Rs.100/- each)		
Basic	(1.56)	-
Diluted	(1.56)	-

## **M/s. AEROTEK SIKA AVIOSYSTEMS PRIVATE LIMITED**

### **1. Significant Accounting Policies**

#### **a) Basis of Preparation**

The financial statements are prepared under the historical cost convention on the accrual basis of accounting and materially comply with the mandatory accounting standards and statements issued by the Institute of Chartered Accountants of India.

#### **b) Fixed Assets and Depreciation**

There are no fixed assets existing in the Company.

#### **c) Investment**

Non Current investments are valued at cost, less any provision for permanent diminution in value.

Current Investments are stated at lower of cost and fair value.

#### **d) Taxation**

Provision for current taxes is recognized under the taxes payable method based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Indian Income Tax Act, 1961.

Deferred tax assets and / or liabilities are recognized for future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements of the Company. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

#### **e) Revenue Recognition**

The company derives its revenue primarily from services and is recognized on completion of service. All incomes and expenditures are accounted on accrual basis.

Dividend on investment is recognized only when the right to receive the payment is established.

#### **f) Foreign Currency Transactions:**

Transactions in foreign currency are recorded using the spot rate at the transaction date and exchange differences resulting from settled transactions are adjusted in the profit and loss account. At the balance sheet date, monetary items denominated in foreign currencies are converted into rupee equivalents at exchange rates as at the balance sheet date. Those relating to acquisition of fixed assets are adjusted to the cost of assets.

**M/s. AEROTEK SIKA AVIOSYSTEMS PRIVATE LIMITED**

**Notes to Financial Statements for the year ended 31<sup>st</sup> March 2016**

16. Related Party Transactions:

(a) Names of Related Parties and Nature of Relationship

<b>SL No</b>	<b>Name of the Related Party</b>	<b>Relationship</b>
1	Mr. Rajeev Sikka	Key Management Personnel
2	Mr. Kunal Sikka	Key Management Personnel
3	Sika Interplant Systems Limited	Holding Company

b) Transactions and Balances with Related Parties

<u>Transactions during the year ended 31st March, 2016 (Figures in brackets indicate Previous Year Figures)</u>	Key Management Personnel	Affiliates
Remuneration	-	-
	-	(-)
Security Deposit Received	-	40,00,000
	(-)	(-)
Balances Outstanding as at 31 March 2016		40,00,000

17. In the opinion of the Board of Directors, current assets, loans and advances have the value and realization in the ordinary course of business at least equal to the amounts at which they are stated in the Balance Sheet.
18. All amounts in the financial statements are stated in Indian Rupees rounded off to the nearest rupee.
19. Previous year's figures have been regrouped / recast / restated, wherever necessary, to make them comparable with those of the current year.

For B.Srinivasulu & Co.,  
Chartered Accountants  
FRN: 007715S

For and on behalf of the board

B.Srinivasulu  
Proprietor  
M.No: 202711

Kunal Sikka  
Director  
DIN:05240807

Dinesh R.G.Balaraj  
Director  
DIN:07214903

Place: Bangalore  
Date : 30/05/2016