Azadi Ka Amrit Mahotsav

स्वच्छ भारत
एक कदम स्वच्छता की ओर

ANNUAL REPORT
2021-2022

PAWAN HANS LIMITED
We fly for you

ANNUAL REPORT
2021-22

PAWAN HANS LIMITED

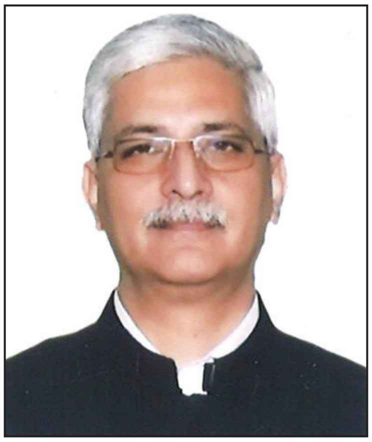
स्वच्छ भारत
एक कदम स्वच्छता की ओर

OUR MISSION

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

CONTENTS

BOARD OF DIRECTORS

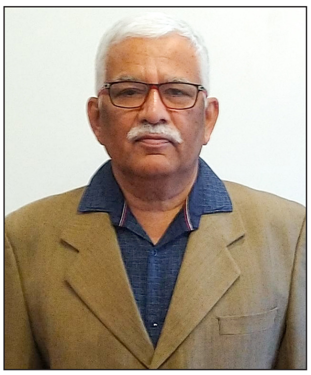


Sanjeev Razdan
Chairman & Managing Director

Rajesh Singh
JS&FA Ministry of Civil Aviation

Pankaj Kumar
Director (Off-shore)
Oil & Natural Gas
Corporation Ltd.

AVM S. Srinivasan
ACAS (Ops. T&H)
Indian Air Force



Air Marshal PP Khandekar, AVSM (Retd.)
Independent Director

Naveen Kumar Soni
Independent Director

Amiben Manishbhai Parikh
Independent Director

MANAGEMENT TEAM

Chairman & Managing Director	Sh. Sanjeev Razdan
Chief Vigilance Officer	Sh. Amal Garg, IRS, (IT)
Executive Director (Tech/BD & MKT)	Air Cmde. (Retd.) T.A. Dayasagar
CFO /HOD (F&A)	Sh. Ajay Gupta
Company Secretary & Joint General Manager (Legal)	Sh. Ranjit Singh Chauhan
General Manager (CPMS)	Sh. Sanjay Kumar
General Manager (BD & MKT)	Sh. Vanrajsinh Dodiya
General Manager (AME)	Sh. M.S. Boora
HOD (Operations)	Gp. Capt V D Badoni,VSM (Retd)
HOD (Flight Safety)	Capt. Rajiv Sharma
HOD (Mats)	Sh. N V Pawar
HOD (IS)	Smt Jayashree Nair
HOD (Internal Audit)	Sh. Sourav Goel
General Manager (Western Region)	Sh. Sandip Gauba
General Manager (Northern Region)	Sh. Sarabjit Singh

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

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

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

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

Auditors
M/s S S Periwal & CO
Chartered Accountants
J-45 Basement Opp Mother Dairy
Vikaspuri Outer Ring Road Pillar
No 9, New Delhi-110018

Branch Auditors
M/s GMJ & Co
Chartered Accountants
3rd Floor, Vaastu Darshan B,
Azad Road, Andher-(East),
Mumbai-400 069

Bankers
Bank of Baroda
Punjab National Bank
Canara Bank

Pawan Hans Limited

(A GOVERNMENT OF INDIA ENTERPRISE)

Regd. Office: Pawan Hans Towers, C-14, Sector-1, Noida-201301.(U.P.)

CIN : U62200UP1985GOI129953

NOTICE

NOTICE is hereby given that the 37th (Adjourned) Annual General Meeting (AGM) of the Members of the Company will be held on Thursday, the 19th January, 2023 at 11.30 AM at Board Room, 8th Floor, Registered & Corporate Office, Pawan Hans Ltd., C-14, Sector-1, Noida-201301 through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business:-

ORDINARY BUSINESS

Item No.1

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

> "**RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended on 31.03.2022 together with the Board's Report and the Auditors' Report thereon and Comments of the Comptroller and Auditor General of India be and are hereby received, considered and adopted."

Item No.2

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

> "**RESOLVED THAT** pursuant to applicable provisions under the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorized to determine and fix the remuneration payable to Auditors of the Company as appointed by the Comptroller and Auditors General of India for the financial year 2022-23."

The link for attending the 37th (Adjourned) AGM is given as hereunder:-

Video call link: https://meet.google.com/mhd-agci-whw

BY ORDER OF THE BOARD

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

Place: Noida
Dated: 18th January, 2023

To,

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

NOTES:

1) In view of the prevailing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide Circular No.02/2022 dated 05.05.2022 permitted the holding of the Annual General Meeting ("AGM") through Video Conference (VC)/ Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, AGM of the Company will be held through VC/OAVM, subject to other applicable provisions of the Companies Act, 2013 ("Act").

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

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

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

1. For attending AGM through VC/OAVM, the link for VC/OAVM shall be shared with the members at their e-mail address available with the Company.
2. Facility of joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM.
3. Members are encouraged to join the Meeting through Laptops/iPads for better experience.
4. Members will be required to switch on the video facility and use Internet connection with a good speed to avoid any disturbance during the Meeting.
5. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuations in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to minimize/mitigate any kind of aforesaid glitches.

CHAIRMAN'S SPEECH TO THE MEMBERS

Dear Members,

I take great pleasure in welcoming you all to the 37th Annual General Meeting of your Company. The Annual Report for the financial year 2021-22 has been circulated and with your permission I take it as read.

The revenue from operations earned by your Company during 2021-22 is Rs. 38512.77 lakhs as compared to Rs. 37237.48 lakhs in the previous year. In percentage terms revenue from operations increased by 3.50% as compared to previous financial year and profit from operations increased from Rs. 2246.14 Lakhs to Rs. 8721.46 Lakhs. Reserves & Surplus of the Company stands at Rs. 41252.46 lakhs (P.Y. Rs. 43117.72 lakhs). Your company could achieve this significant increase in operating profit due to reduction in Liquidated Damages, AOG charges and staff cost. However, the Company continues to incur loss after tax.

Due to net loss incurred during the year 2021-22, Board of Directors has not recommended any dividend for the year under review.

Average monthly deployment of helicopters during the year ended 31.03.2022 was 28 helicopters out of the fleet size of 44 helicopters. The total revenue flying hours in 2021-22 were 18789 hours as against 14454 hours during the previous year, which has reached to pre-Covid-19 levels.

Your Company continues to be one of Asia's largest helicopter operator having a well-balanced operational fleet of 44 helicopters at present with pan India presence. Out of these five Dauphin N Helicopters having vintage of over 33 years grounded since long due to obsolescence have been approved as 'Impaired Assets' and after accident of one Sikorsky S76D helicopter on 28.06.2022 near Sagar Kiran rig at Mumbai offshore, effective operational fleet comprises of 38 Helicopters only.

During the first quarter of F.Y. 2021-22, India was hit by second wave of COVID-19 Pandemic. To combat this Pandemic, partial lockdowns were enforced in the country. The crew members of the company performed their duties extending to more than one month at a stretch. Your Company also lost few employees due to COVID-19 Pandemic. The Pandemic also adversely impacted the flying hours of the Company.

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

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

As you are aware, the process of strategic disinvestment of entire 51% stake of Government of India in your company is in advanced stage with the opening of financial bids on April 23, 2022 and a Consortium of three members (namely Star9 Mobility Pvt. Ltd.) was declared as highest bidder on April 29, 2022.

Due to on-going disinvestment process, no MoU for the purpose of fixing targets and measuring performance of the organization has been signed with the administrative ministry.

The following significant Events/ Developments have taken place after close of financial year 2021-2022

One helicopter VT-PWI (S76D) of your Company met with an accident on 28.06.2022 near Sagar Kiran Rig at Mumbai offshore. After the accident, ONGC Ltd. had not deployed the contracted helicopters of the Company for a period of one month approximately and initiated technical & safety audit of PHL-Western Region by M/s RWSI. M/s RWSI found that PHL, WR was in compliance with minimum requirements of DGCA and ONGC AS4. All contracted helicopters were inspected and found to being maintained in accordance with DGCA requirements. However, a few minor observations were made concerning improvement in the systems. The observations made by M/s RWSI audit have been addressed and the action taken report was submitted to M/s ONGC Ltd. Consequently, ONGC Ltd. has restored flying of all contracted Dauphin N3 helicopters in phased manner. However, ONGC Ltd. did not accept S76D helicopters.

After the accident, ONGC terminated the contract for two helicopters citing the reason of delay in mobilization of helicopters and replacement helicopter (MSN 761015) offered to them was not accepted. After terminating the contract, ONGC Ltd. also encashed two bank guarantees to the extent of 50% amounting to Rs. 92.42 lakhs. Your Company has filed an application / petition under Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD) against termination of contract and invocation / encashment of bank guarantees by ONGC Ltd.

This has resulted in drastic reduction in flying hours and consequent adverse impact on the revenues for the current financial year 2022-23. The investigation of this accident is being carried out by the Aircraft Accident Investigation Bureau (AAIB) and its report is awaited.

Operations under RCS UDAN Scheme

Your Company is the first helicopter operator in India to get the Scheduled Commuter Operator (SCO) permit. It has been awarded 11 networks in 4 states under RCS UDAN tender 2.0, 2 networks under 4.0, 6 networks under RCS UDAN 4.1 and 8 networks under RCS UDAN 4.2.

Your Company successfully launched the helicopter services in Himachal Pradesh and Uttarakhand in 2019 and 2020 respectively and subsequently new routes were added during 2021 and 2022. The routes being operated currently are as under:-

1. Chandigarh-Shimla-Chandigarh (Six days a week) w.e.f. 28-02-2019.
2. Shimla-Kullu-Shimla w.e.f. 13.05.2019. Further extended to Shimla-Mandi-Kullu-Mandi-Shimla w.e.f. 10th December, 2021(Thrice a week).
3. Shimla-Dharamshala-Shimla w.e.f. 14.05.2019. Further extended to Shimla-Mandi-Dharamshala-Mandi-Shimla w.e.f. 9th December, 2021 (Thrice a week)
4. Dehradun New Tehri-Srinagar-Gauchar-Srinagar-New Tehri-Dehradun (Thrice a week) w.e.f. 29-07-2020
5. Shimla-Rampur-Shimla w.e.f. 9th December, 2021 (Thrice a week).

6. Dehradun-Gauchar-Dehradun w.e.f. 8th October, 2021 (Six days a week)

7. Dehradun-Srinagar-Dehradun (Thrice a week)

8. Dehradun-Haldwani/Pantnagar-Pithoragarh-Dehradun w.e.f. 8th October, 2021 (Six days a week)

9. Dehradun-Haldwani/Pantnagar-Almora-Pithoragarh-Almora-Pantnagar/ Haldwani-Dehradun w.e.f. 26th August, 2022.

Your Company will launch services on the other awarded sectors in a phased manner subject to availability of infrastructure and other necessities.

Governments of Himachal Pradesh, Uttarakhand, Karnataka and Tamil Nadu have engaged the services of PHL for providing Project Management Consultancy for developing and licensing / operational authorization of the heliports under development in their respective States.

Further, MoCA has designated PHL as the nodal agency for Centralized Procurement of all equipment including Communication, Security, Visual Aids and Fire fighting for all the 31 heliports under development across the five States of Himachal Pradesh, Uttarakhand, Manipur, Assam & Arunachal Pradesh under RCS UDAN-II'.

Your Company has signed a MoU with NIT, Srinagar during the 3rd Helicopter Summit at Dehradun as an initiative towards Skill India in the presence of Shri Jyotiraditya Scindia, Hon'ble Minister of Civil Aviation and Shri Pushkar Singh Dhami, Hon'ble Chief Minister of Uttarakhand on 8.10.2021. A MOU was also signed with RGNAU (a Central University) for offering B. Sc. (Hons.) in Aircraft Maintenance alongwith DGCA approved AME course.

Awards received by your Company during the year are:

1. On the occasion of celebration of UDAN Utsav at Jharsuguda on 2.12.2021, a Certificate of Appreciation as Champion of UDAN was awarded by Hon'ble Minister of Civil Aviation and Hon'ble Minister of State of Civil Aviation.

2. Award for Best Helicopter Operations 2021 was awarded to your Company by Hon'ble Minister of Civil Aviation during the 13th International Conference cum Awards, Civil Aviation & Cargo organized by ASSOCHAM on 28.02.2022.

3. Secretary (CA) awarded second prize for PHL's in-house Hindi Magazine "Hansdhwani" on 23.12.2021 after the meeting of Rajbhasha Karyanvyan Samiti.

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

(Sanjeev Razdan)
Chairman & Managing Director

Dated : 19th January, 2023

BOARD'S REPORT

Dear Members,

Your Board has pleasure in presenting its 37th Report together with the audited Financial Statements for the year ended on 31st March, 2022, Auditors' Report and comments on the Financial Statements by the Comptroller & Auditor General of India and Board replies thereto.

I. Operations

a) Operational results

The revenue from operations earned by your Company during 2021-22 is Rs.38512.77 lakhs as compared to Rs.37237.48 lakhs in the previous year. Average monthly deployment of helicopters during the year ended on 31.03.2022 was 28 helicopters out of the fleet size of 44 helicopters. The total revenue flying hours in 2021-22 were 18789 hours as against 14454 hours during the previous year.

b) Fleet Profile

Your Company continues to be one of Asia's largest helicopter operators having a well-balanced own operational fleet of 41 helicopters at present with pan India presence.

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

Helicopter type	No. of helicopters	Average Age (years)
Dauphin SA365N	17*	34
Dauphin AS365 N3	14	13
Bell-407	3	18
Bell 206L4	2	26
AS 350 B3	2	11
MI-172	3	14
Dhruv (LEASED)	1	16
Sikorsky S 76D (LEASED)	2**	08
Total	**44**	

General Manager (WR) welcomed Hon'ble Administrator of U.T. of Daman & Diu, Dadra Nagar & Haveli and U.T. of Lakshdweep who flew by PHL helicopter from Daman to Juhu Airport, Mumbai.

* Four Dauphin SA365N Helicopters having vintage of over 33 years which were grounded since long due to obsolescence and have been approved as "impaired Assets" by the Board. One more Dauphin SA 365N helicopter has been put under impairment.

** One Sikorsky S 76D helicopter met with accident on 28.06.2022 near Sagar Kiran rig at Mumbai Offshore.

Therefore, effective operational fleet comprises of 38 helicopters only.

c) <u>Fleet deployment</u>

Your Company has been providing helicopter support for offshore operations of ONGC for carrying its men and vital supplies round the clock to drilling rigs situated in Bombay off-shore platforms. Your Company operates to ONGC's Rigs (mother platforms and drilling rigs) and production platforms (wells) within a radius of 130 nm from the main land at Mumbai. As on 31.03.2022, the Company has on contract 6 Dauphin N3 helicopters with ONGC for their off-shore task.

Presently the Company is providing one Dauphin helicopter each to State Governments in the North East namely, Mizoram and Tripura and one Bell 407 helicopter to the Govt of Sikkim. The Company is providing 5 Dauphin N3 helicopters to Administration of Andaman & Nicobar Islands and 03 Dauphin N helicopters to Lakshadweep Administration. Your Company is also providing one Dauphin N/N3 helicopter to Union Territory of Daman & Diu. Your Company has also renewed helicopter services contract with NTPC (PSU) for three years which is further extendable by two years. Your Company is also providing helicopter services to Hindustan Oil Exploration Co. at Mumbai.

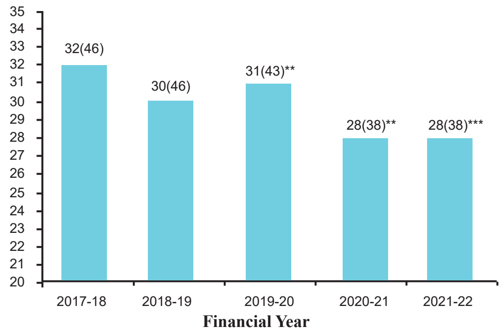
Your Company provided one Bell 407 helicopter to the J&K Police during the year under review. Your Company is also providing one AS350 B3 and one MI-172 helicopter to Union Territory of Ladakh. The Company has provided one Dhruv helicopter to the State Government of Maharashtra. One Dauphin N helicopter has been provided to CRPF at Jagdalpur.

Two Dauphin N helicopters are deployed in RCS-Chandigarh and RCS-Uttarakhand. One Bell 407 single engine helicopter has also been deployed for RCS operations in Uttarakhand.

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

The average monthly deployment of helicopters was as under:-

Average Monthly Fleet Deployment



* Including one Dhruv helicopter taken on lease from HAL.

** Including one Dhruv helicopter taken on lease from HAL and excluding 4 impaired helicopters.

*** Including one Dhruv helicopter taken on lease from HAL and excluding 5 impaired helicopters.

d) **Operations during COVID-19 Pandemic**

During the first quarter of F.Y. 2021-22, India was hit by second wave of COVID-19 Pandemic. To combat this Pandemic, partial lockdowns were enforced in the country. The crew members of the company performed their duties extending to more than one month at a stretch. Your Company also lost few employees due to COVID-19 Pandemic. The Pandemic also adversely impacted the flying hours of the Company.

e) **Fleet Augmentation**

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

During the year under review your Company has signed two Aircraft Specific Lease Agreement (ASLA) with M/s Vertical Aviation No.1 Limited (an Ireland based leasing company) in addition to four ASLAs signed during the previous year. Two helicopters have been delivered to the Company in the months of August, 2021 and March, 2022 respectively. Three more helicopters were delivered in the months of May and August, 2022.

f) **Strategic Disinvestment of Pawan Hans**

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

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

The disinvestment process could not be completed earlier due to poor response from bidders.

The strategic disinvestment of PHL is currently in process for which PIM / request for Expression of Interest (EOI) was issued on 8.12.2020. Basis the evaluation of EOIs received till due date (March 05, 2021) and as per IMG directions, shortlisted bidders were provided access to VDR, SIM, RFP and draft Share Purchase Agreement. The shortlisted bidders undertook various due diligence activities and submitted their bids which were technically evaluated. The financial bids were opened on April 23, 2022 and a Consortium of three members (namely Star9 Mobility Pvt. Ltd.) was declared as highest bidder on April 29, 2022.

g) **Demerger of Rohini Heliport**

The Rohini Heliport consists of a terminal building having capacity of upto 150

Pawan Hans Signed agreement for the leasing of 6 Sikorsky S 76D Helicopters with M/s Vertical Aviation No.1 Limited at Wings India event in Hyderabad.

passengers (at any point of time), 4 hangars with parking capacities of 16 helicopters and 9 parking bays. It has been developed to provide one-point solution for helicopter business including regular helicopter operations, landing & parking facility for other operators, MRO services and training services.

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

The Scheme of Demerger has been approved vide order dated 29.8.2022 passed by Jt. Secretary, Ministry of Corporate Affairs (MCA) vide which Rohini Heliport will be demerged from Pawan Hans Limited to Rohini Heliport Limited on a going concern basis. The appointed date of demerger has been modified to 1.4.2022 in place of proposed appointed date of 1.4.2019. This change of appointed date will obviate the need for revising financial statements, income tax returns, etc. for both companies for the last three financial years. The Demerger Scheme is effective from 26.09.2022 (the date of filing of certified copy of the order with Registrar of Companies). From appointed date (1.4.2022), the business of Rohini Heliport is being carried on by your Company on behalf of RHL. For impelemting the demerger, required steps are being taken.

h) **Significant Events/Developments taken place after close of financial year 2021-22.**

One helicopter VT-PWI (S76D) of your Company met with an accident on 28.06.2022 near Sagar Kiran ONGC Rig at Bombay High. After the accident, ONGC Ltd. had not deployed the contracted helicopters of the Company for a period of one month approximately and initiated technical & safety audit of PHL-Western Region by M/s RWSI. M/s RWSI found that PHL, WR was in compliance with minimum requirements of DGCA and ONGC AS4. All contracted helicopters were inspected and found to being maintained in accordance with DGCA requirements. However, a few observations were made concerning improvement in the systems. The observations made by M/s RWSI audit have been addressed and the action taken report was submitted to M/s ONGC Ltd. Consequently, ONGC Ltd. has restored flying of all contracted Dauphin N3 helicopters in phased manner. However, ONGC Ltd. did not accept S76D helicopters.

After the accident, ONGC terminated the contract for two helicopters citing the reason of delay in mobilization of helicopters and replacement helicopter (MSN 761015) offered to them was not accepted. After the termination of the contract, ONGC Ltd. also encashed two bank guarantees to the extent of 50% amounting to Rs.92.42 lakhs. Your Company has filed an application / petition under Administrative Mechanism for Resolution of Commercial Disputes (AMRCD) against termination of contract and invocation / encashment of bank guarantees by ONGC Ltd.

This has resulted in drastic reduction in flying hours and consequent adverse impact on the revenues. The investigation of this accident is being carried out by the Aircraft Accident Investigation Bureau (AAIB).

II. Vision and Mission

Vision:

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

Mission:

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

III. Finance and Accounts

Your Company has prepared Financial Statements comprising of the Balance Sheet as on 31.03.2022, the Statement of Profit & Loss, Cash Flows Statement, Statement of Changes in Equity for the year ended on 31.03.2022 and additional Notes to Financial Statements including a summary of significant accounting policies and other explanatory information in conformity with Ind AS for the financial year 2021-22.

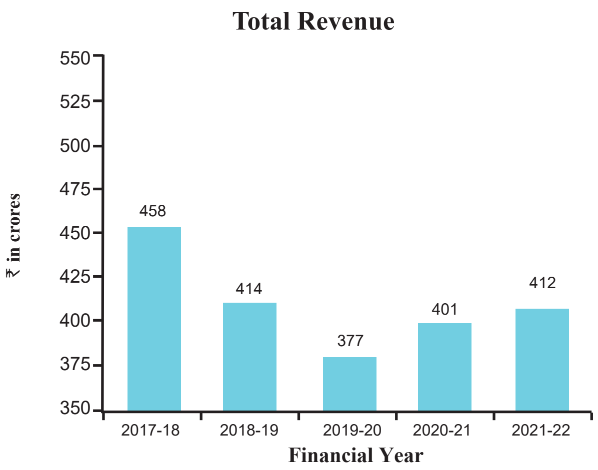
a) **Financial Results**

Financial performance of your Company during the years 2020-21 and 2021-22 is given below :-

(Rupees in Lakhs)

Particulars	2021-22 Amount	2020-21 Amount
A) Revenue from Operations	38512.77	37237.48
B) Other Operating Income	2054.21	1159.45
C) Total Operating Income	40566.98	38396.93
D) Operating Expenditure		
i) Helicopter Operation & Maint. expenses	12395.07	13031.46
ii) Employees Benefits expenses	15909.13	17330.55
iii) Other Expenses	3541.32	5788.78
Total	**31845.52**	**36150.79**
E) Operating Profit/(Loss)	8721.46	2246.14
F) Other Non Operating Income/ (Expenditure)		
i) Other Income	654.14	1721.87
ii) Finance Cost	(545.38)	(195.69)
iii) Depreciation & Amortization	(9338.07)	(6599.20)
Total	**(9229.31)**	**(5073.02)**
G) Net Profit/(Loss) before Tax	(507.85)	(2826.88)
H) Net Profit/(Loss) before Tax from Discontinued Operation	(498.27)	(484.12)
Total	**(1006.12)**	**(3311.00)**
I) (i) Deferred tax Assets/(Liabilities)	(860.14)	1255.89
(ii) Minimum Alternate Tax	-	(90.00)
J) Net Profit/(Loss) after tax	(1866.26)	(2145.11)

In percentage terms revenue from operations increased by 3.50% compared to previous year due to better deployment of H/Cs and usage of optimum resources. Profit from operations increased from Rs.2246.14 Lakhs to Rs.8721.46 Lakhs. The Company could achieve this significant increase in Operating Profit due to reduction in liquidated charges, AOG charges and staff cost. Reserves & Surplus of the Company stands at Rs.41252.46 lakhs (P.Y. Rs.43117.72 lakhs).



b) **Dividend**

Due to losses incurred during the year 2021-22, your Directors express their inability to recommend any dividend for the year under review.

c) **MOU with Ministry of Civil Aviation**

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

d) **Equity Capital**

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

During the year under review, the equity shares of your Company have been admitted in the depository system of National Securities Depository Limited (NSDL) thereby enabling shareholders of the Company to dematerialize their share certificates. A Tripartite Agreement among PHL, NSDL and NSDL Data Base Management Ltd. (Registrar & Transfer Agent) was entered into. 1,95,050 equity shares of Rs.10,000/- each held by President of India have been dematerialized. The remaining equity shares i.e. 89,259 held by President of India are in physical form.

IV. Engineering / Maintenance Activities

1. The Company has established DGCA approved maintenance facilities in Mumbai, New Delhi, Guwahati (Assam) and Portblair (A&N Island) for maintenance of its fleet of helicopters. Maintenance checks on helicopters are carried out and workshops with in-house facilities provide the back up. Your Company has maintenance capability to carry out (upto 5400 hrs/10 years Insp / ‘G’ Inspections) on Dauphin helicopters and (upto 100 hours & 36 months inspection) on S76D helicopters totally in-house without any foreign assistance which leads to saving of foreign exchange on account of lower cost of repairs/ inspections.

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

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

Proud moment of PHL to receive award for Best helicopter operations 2021 from HMCA during the 13th International Conference cum awards Civil Aviation & Cargo organised by ASSOCHAM.

- Maintenance of Ecureuil AS 350 B3 helicopter upto 1200 hrs/48 months.
- Maintenance of Bell 206 L4 helicopter upto 100 hrs/90 days.
- Maintenance of Bell 407 helicopter upto 100 hrs/90 days.

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

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

A total of 18 inspections consisting of T/2T/5T/G (600 hrs/1200 hrs/3000 hrs/5400 hrs) inspection on Dauphin fleet of helicopters were carried out by the Company from its resources during the year.

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

- Maintenance of Bell 206-L4 helicopter upto 1500 hrs. inspection
- Maintenance of Bell 407 helicopter upto 1200 hrs./24 months inspection
- Maintenance of Ecureuil AS 350 B3 helicopter upto 1200 hrs./48 months inspection, excluding major modifications/ repair
- Maintenance of Dauphin SA 365 N helicopter upto 1200 Hrs/4 year inspection
- Maintenance of Dauphin SA 365 N3 helicopter upto 1200 hrs./04 years inspection
- Maintenance of Mi-172 helicopter upto and including 500 hrs. and 1000 hrs. inspection.

MRO has been set up as separate vertical to enhance maintenance system in Company and take outside business.

V. Materials Management

The procurement of all consumable items

The Hon'ble Minister of Civil Aviation Sh Jyotiraditya Scindia and Hon'ble Chief Minister of Uttrakhand Sh Pushkar Singh Dhami flagged off the new routes launched by PHL under UDAN from Jolly Grant Airport, Dehradun.

and spares is controlled by reviewing the stock and future requirement and minimum new levels are fixed so as to procure as per requirement and reduce overstocking and minimize unnecessary blockage of funds.

All activities of the Materials department are online through integrated computerization. Processing of demand and supply has become efficient. All data is available to users across the network in all regions and bases.

E-procurement system is utilized efficiently and procurement has become more transparent.

VI. Information System & Technology initiatives

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

Your Company is utilising cloud services for business applications and Integrated Information System (IISp) covering Flight Data Scheduling System, Component Health Monitoring System, Material Management System, Finance & Accounting System, HR Management System and Business Dashboard.

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

The technology deployed at your Company enables employees to access mission critical information in efficient and seamless manner and also intends to drive competitive advantage in the competitive market. The ICT environment facilitates easy and quick access to services, computing resources, online learning materials, training manuals

Workshop organised by MoCA in association with PHL for promoting ease of doing business, requirement for development of district-wise helipads by State Govt to promote helicopter operations.

and other centralised applications. The technologies that are in place also empower the employees to continuously upgrade their skills and bring about diverse improvements in their working environment.

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

VII. Human-Resource Management

a) Manpower

The total manpower of the Company as on 31st March 2022 was 602 (with 298 permanent employees and 304 contractual employees) as against 655 as on 31st March 2021 which comprise of 111 pilots, 91 Aircraft Maintenance Engineers, 03 Flight Engineer, 59 Executives, 125 Technicians and 213 other technical and non-technical employees.

b) Industrial Relations

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

c) Employees Welfare

The Company continues to extend welfare benefits to the employees and their dependents by way of comprehensive medical care, housing loan, post retirement medical benefit and social security. PHL also extended the medical facility under its Post Retirement Group Medical to the spouses of the employees who died while performing the duty or otherwise or reasons for medical grounds w.e.f. 1.1.2017 as a welfare measure. Further, the Company continues to align its policies with changing economy and business environment. The Company has established three Trusts for welfare of employees i.e. Employees Contributory Provident Fund Trust, Employees Gratuity Fund Trust and Employees Defined Contributory Pension Trust.

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

As per the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under, your Company has in place, a committee for prevention, prohibition and redressal of sexual harassment at workplace. One case of Sexual Harassment was reported in the Financial Year 2021-22 in which required action was taken against the concerned employee.

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

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

f) **Training**

Training of all employees i.e. Executives, Pilots, Engineers, Technicians and Support staff continued to receive high priority. Lectures on different subjects of Managerial Skills have been conducted regularly. The Company has also been nominating employees to specialized training programmes and in-house training. During the year 2021-22, 70 employees have been detailed for Internal training at Hindi Workshop, lecture-cum-interactive session on life & health insurance, financial security and retirement plans, training workshop on prevention of sexual harassment, use of Hindi in Windows 10, MS-Word & Mobile services. The resources of Aviation Training School of Pawan Hans were utilized for conducting various refresher courses for Pilots, Engineers and Technicians on regular basis. The Company has set up Pawan Hans Helicopters Training Institute (PHTI) at Mumbai in September, 2009 which has been offering B.Sc. (Aeronautics) through University of Mumbai as well as Basic Aircraft Maintenance Engineering License Preparatory course for the purpose of acquiring AME license duly approved by DGCA. The PHTI unit in Delhi in association with Jamia Milia Islamia University, New Delhi has also been providing B.Sc. (Aeronautics) degree together with Aircraft Maintenance Engineering License to students.

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

VIII. Safety Management System and FOQA system

Safety is of paramount importance and your Company is pursuing safety in its operations and maintenance activities as a continuous process. Third party Safety (SMS) audits by Global Domain Experts are carried out as per requirement.

FOQA Cells have been established at NR and WR for daily flight data analysis as per Regulatory requirements for improvements in Flight Data Analysis. Helicopter tracking system has also been installed in twenty nine helicopters and process for installation on entire fleet of PHL is in progress.

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

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

IX. Board of Directors

The Board of Directors held seven meetings during the year 2021-22. The details of Directors of your Company are as follows:-

Sl. No.	Name of the Director	DIN	No. of meetings attended during 2021-22
1	Shri Sanjeev Razdan, CMD	08711596	7
2	Smt. Usha Padhee, Government Nominee Director	03348716	6
3	Shri Vimalendra Anand Patwardhan, Government Nominee Director	08701559	7
4	AVM S. Srinivasan, Government Nominee Director representing Indian Air Force	07493794	2
5	Shri Pankaj Kumar, Nominee Director representing ONGC Ltd.	09252235	2
6	Air Marshal Prashant Purushottam Khandekar, AVSM (Retd.), Independent Director	02948012	7
7	Shri Naveen Kumar Soni, Independent Director	07134716	1
8	Smt. Ami Manish Parikh, Independent Director	09487463	1

During the year under review, Shri Rajesh Kakkar, Director (Offshore)-ONGC Ltd. and ex-officio Director of your Company ceased to be Director w.e.f. 30.04.2021 due to superannuation. Shri Rajesh Kumar Srivastava, Director (Offshore), ONGC Ltd. and ex-officio Director of your Company ceased to be Director w.e.f. 4.9.2021 due to change in Nominee Director. AVM Surender Kumar Indoria ceased to be Director w.e.f. 1.12.2021.

Smt. Usha Padhee and Shri Vimalendra Anand Patwardhan have ceased to be Directors pursuant to their relieving from Ministry of Civil Aviation w.e.f. 16.10.2022 and 25.10.2022 respectively.

The Board places on record its appreciation for the valuable services rendered by outgoing Directors to the Company during their tenure.

Details of Key Managerial Personnel

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

i) Shri Sanjeev Razdan, CMD
ii) Shri Ranjit Singh Chauhan, Company Secretary
iii) Shri Shankar Lal Goel (till 11.06.2021)
iv) Shri Ajay Gupta (w.e.f. 12.06.2021)

Accountable Manager

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

ii) Shri Vijay Pathyan, Officiating General Manager (Safety) upto 31.05.2022

iii) Capt. Rajiv Sharma, HOD (Safety)

X. Directors' Responsibility Statement

Pursuant to provisions of Section 134(5) of the Companies Act, 2013 in the preparation of the Annual Accounts for the financial year ended 31st March, 2022, your Directors have:-

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

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

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

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

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

XI. Declaration by Independent Directors

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

XII. Corporate Governance

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

XIII. Statutory Auditors' Report

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

XIV. Comments of Comptroller & Auditor General of India

The Comments of the Comptroller & Auditor General of India pursuant to Section 143(6)(b) of the Companies Act, 2013 are still awaited and will be dealt with separately by way of Addendum to Board's Report.

XV. Secretarial Audit Report

In terms of section 204 (1) of the Companies Act, 2013, the Company has engaged M/s VAP & Associates, Company Secretaries in whole time practice as Secretarial Auditors for conducting Secretarial Audit for the financial year ended on 31.3.2022. Secretarial Audit Report along with Board's Reply on the observations made by the Secretarial Auditor has been attached as **Annexure-D**.

XVI. Related Party Transactions

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

XVII. Particulars of the Employees

Your Company being a Government Company, the provisions of section 197

(12) of the Companies Act, 2013 and relevant Rules shall not apply in view of Gazette Notification dated 5.6.2015 issued by Ministry of Corporate Affairs. The terms & conditions of appointment of whole time Functional Directors is decided by the Government of India. The salary and terms & conditions of appointment of CFO and Company Secretary being KMP of the Company are in line with the parameters prescribed by the DPE.

XVIII. CSR Committee

CSR Committee of your Company comprises of Air Marshal P.P. Khandekar, AVSM (Retd.), as Chairman, Shri Naveen Kumar Soni and Smt. Ami Parikh as Members. The Annual Report of CSR activities is attached as **Annexure-F**.

XIX. Vigil Mechanism

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

XX. Right to Information Act

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

XXI. Citizens' Charter

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

XXII. Integrity Pact

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

Capt Mayuri and Capt Ashima received award for their contribution in Indian Aviation from HMCA Sh Jyotiraditya Scindia in the event of Celebrate Women's achievement by MoCA in association with FICCI and WAI.

XXIII. Compliance relating to Public Procurement Policy for MSMEs

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

Heads	Financial years (Figures in lakhs)	
	2020-21	2021-22
Total Annual Procurement Value	13326.91	12967.00
Total Value of Goods & Services procured from MSEs (including MSMEs owned by SC/ST entrepreneurs)	389.00	514.83
Total Value of Goods & Services procured from MSMEs (including MSMEs owned by Women entrepreneurs)	401.00	Nil
Total Value of Goods & Services procured from MSEs (including MSEs owned by SC/ST, Women entrepreneurs and other MSMEs)	790.00	514.83

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

XXIV. Conservation of Energy and Technology absorption

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

XXV. Foreign Exchange Earning & Outgo

The Company earned Rs.9781.06 Lakhs (previous year Rs.9068.57) in foreign exchange during the year 2021-22. The foreign exchange outgo amounted to Rs.13518.35 Lakhs (previous year Rs.7906.51 lakhs) during the year 2021-22.

XXVI. Annual Return

As per requirement of section 92 (3) read with Section 134 (3) (a) of the Companies Act, 2013 of Annual Return of the Company will be hosted on the web-site of the Company and can be viewed at the web-site of the Company after its filing

https://www.pawanhans.co.in/inner.aspx?status=2&menu_id=194

https://www.pawanhans.co.in/english/inner.aspx?status=2&menu_id=10185

XXVII. Policy on Directors' Appointment etc.

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

XXVIII. Performance Evaluation

Pawan Hans being a Government Company, the provisions of section 134(3) (p) of the Companies Act, 2013 shall not apply in view of the Gazette Notification

PHL is conducting 3 years full time basic Aircraft Maintenance, Engg. course alogwith BSc Aeronautics Degree course in collaboration with Jamia Millia Islamia University.

dated 5.6.2015 issued by Ministry of Corporate Affairs.

XXIX. Statutory Disclosures

a) There was no change in the nature of business of the Company during the financial year 2021-22.

b) The Company has not accepted any public deposits during the financial year 2021-22.

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

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

e) There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year i.e. 31.3.2022 and the date of this report.

XXX. Official Language Policy

During the year under review, the Company has made significant progress towards implementation of various provisions of Government's Official Language Policy by celebrating Hindi Day/Pakhwada, holding Hindi workshops and granting monetary incentives to winners of various competitions organized on the occasion of Hindi Pakhwada (14-28 September, 2021) besides complying section 3(3) and other provisions under the Official Language Act, 1963 as also of the Official Language Rules, 1976. The Company has been awarded IInd Prize for its in-house magazine "Hansdhwani" in the inter Ministerial Departmental competitions organized by Ministry of Civil Aviation for the year 2021.

XXXI. Vigilance

The Company has a Vigilance Department headed by Chief Vigilance Officer. As per CVC's guidelines, e-tendering, e-ticketing, e-payment and file tracking have been implemented.

To ensure transparency in procurement, Integrity Pact Program and Integrity Pact has been adopted as per directions of Central Vigilance Commission. Further revised SOP for adoption of Integrity Pact issued by CVC, revised Integrity Pact Program has been approved by the Board of Directors and the same has been implemented. Dr. Ved Prakash, ITS (Retd) has been appointed as Independent External Monitor for a period of three years on 17.3.2020.

The Whistle Blower Policy of the Company has already been approved by the Board of Directors.

Continuous monitoring and investigations by Vigilance department has added to the efficiency and image of the organisation and enhanced the onus of accountability and transparency.

Vigilance department has also been carrying out periodical inspections of Corporate Office/Regions of the company to improve and simplify the existing procedures and practices prevailing in the organisation. The inspections also focused on the causes of delay and possible measures so that suitable procedure may be devised to minimize such delays and reduce the scope of corruption.

To strengthen the vigilance machinery, review of annual property returns and leveraging technology was also undertaken. Vigilance Department has focused on effective preventive measures to fight corruption.

As per direction of CVC, Vigilance Awareness Week during **26th Oct to 1st Nov 2021** was organised in Pawan Hans Ltd. with the aim to sensitize the employees

PHL launched new routes under UDAN on 08.10.2021 from Jolly Grant Airport Dehradun to Pithoragarh Helipad.

about the dangers and pitfalls of corruption with theme-**"Independent India @ 75: Self Reliance with Integrity: ''स्वतंत्र भारत @ 75% सत्यनिष्ठा से आत्मनिर्भरता''.** During the Vigilance Awareness Week, various activities/events i.e. Essay, Quiz, Debate, Competitions and workshops were organised and Pawan Hans Officials have participated in these competitions and workshops.

XXXII. New businesses:

Regional Connectivity Scheme (RCS)

Your Company is the first helicopter operator in India to get the Scheduled Commuter Operator (SCO) permit. It has been awarded 11 networks in 4 states under RCS UDAN tender 2.0, 2 networks under 4.0, 6 networks under RCS UDAN 4.1 and 8 networks under RCS UDAN 4.2.

Details of the awarded routes are as under:

Awarded routes in RCS 2.0

1. Dehradun-New Tehri- Srinagar-Gauchar-Joshimath-Gauchar-Srinagar-New Tehri-Dehradun
2. Dehradun- Mussorie -Dehradun
3. Dehradun-Ramnagar-Pantnagar-Nainital-Pantnagar-Almora-Pithoragarh-Almora-Pantngr- Ramnagar-Dehradun
4. Chandigarh-Kasauli/Baddi-Shimla
5. Shimla-Mandi-Kullu-Manali-Mandi-Shimla
6. Shimla-Mandi- Kangra Airport- Mandi-Shimla
7. Shimla-Rampur-Nathpa Jhakri-Rampur-Shimla
8. Imphal-Moreh-Imphal
9. Imphal-Tamenglong-Jiribam-Tameglong-Imphal
10. Imphal-Thanion-Parbung-Thanion-Imphal
11. Guwahati- Tezpur- Jorhat- Dibrugarh-Jorhat- Tezpur- Guwahati

Awarded routes in RCS 4.0

1. Guwahati-Tezpur-Guwahati
2. Guwahati-Misa-Geleki-Jorhat-Geleki-Misa-Guwahati

Awarded routes in RCS 4.1

Twin Engine

1. Shillong- Sohra-Shillong
2. Shillong – Dowaki-Shillong
3. Dehradun - Srinagar –Dehradun
4. Dehradun-Gauchar-Dehradun

Single Engine

1. Pantnagar – Pithoragarh-Pantnagar
2. Haldwani – Haridwar-Haldwani

Awarded routes in RCS 4.2

1. Guwahati-Nagaon-Guwahati
2. Nagaon-Tezpur-Nagaon
3. Tezpur-Itanagar-Tezpur
4. Khliehrat- Shillong-Khliehrat
5. Shella-Shillong-Shella
6. Shillong-Jowai-Shillong
7. Shillong-Nongstoin-Shillong
8. Shillong-Williamnagar-Shillong

Operationalization of RCS UDAN Routes

Your Company successfully launched the helicopter services in Himachal Pradesh and Uttarakhand in 2019 and 2020 respectively. The routes are as under:-

1. Chandigarh-shimla-Chandigarh (Six days a week) w.e.f. 28-02-2019.
2. Shimla-Kullu-Shimla w.e.f. 13.05.2019. Further extended to Shimla-Mandi-Kullu-Mandi-Shimla w.e.f 10th Dec 2021(Thrice a week).
3. Shimla-Dharamshala-Shimla w.e.f. 14.05.2019. Further extended to Shimla-Mandi-Dharamshala-Mandi-Shimla w.e.f 9th Dec 2021(Thrice a week).
4. Dehradun New Tehri-Srinagar-Gauchar-Srinagar-New Tehri-Dehradun (Thrice a week) w.e.f. 29-07-2020.
5. Shimla-Rampur-Shimla w.e.f 9th Dec 2021 (Thrice a week).
6. Dehradun-Gauchar-Dehradun w.e.f 8th Oct 2021 (Six days a week)
7. Dehradun-Srinagar-Dehradun (Thrice a week)
8. Dehradun-Haldwani/Pantnagar-Pithoragarh-Dehradun w.e.f 8th Oct 2021 (Six days a week).
9. Dehradun-Haldwani/Pantnagar-Almora-Pithoragarh-Almora-Pantnagar/Haldwani-Dehradun w.e.f 26th Aug 2022.

Your Company will launch services on the other awarded sectors in a phased manner subject to availability of infrastructure and other necessities.

Governments of Himachal Pradesh, Uttarakhand, Karnataka and Tamil Nadu have engaged the services of PHL for providing Project Management Consultancy for developing and licensing / operational authorization of the RCS heliports under development in their respective States.

Further, MoCA has designated PHL as the nodal agency for Centralized Procurement of all equipment including Communication, Security, Visual Aids and Fire fighting for all the 31 heliports under development across the five States of Himachal Pradesh, Uttarakhand, Manipur, Assam & Arunachal Pradesh under RCS UDAN-II'.

XXXIII. Acknowledgements

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

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

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

For & on behalf of the
Board of Directors

Sd/-
(Sanjeev Razdan)
Chairman & Managing Director

Date : 29th December, 2022
Place : Noida

ANNEXURES TO THE BOARDS' REPORT

Report on Corporate Governance including Compliance Certificate from Practicing Company Secretary	Annexure-A
Management Discussion & Analysis Report	Annexure-B
Explanation by the Board on Qualifications in Auditors' Report	Annexure-C
Secretarial Audit Report along with Board's reply on the Observations made by Secretarial Auditor	Annexure-D
AOC-2 (Related Party Transactions)	Annexure-E
Annual Report on CSR Activities	Annexure-F
Addendum To Board's Report - Board's Reply to Comments of C & AG	

Pawan Hans celebrating International Woman's day

Annexure-A

COMPANY'S REPORT ON CORPORATE GOVERNANCE

A. Corporate Governance

The Company's philosophy on Corporate Governance reflects the ethos of the Company and its continuous commitment to ethical business principles across its operations. Corporate Governance is more than set of processes and compliances at PHL. PHL is having a well defined corporate structure that establishes checks and balances and delegates decision making to appropriate levels in the organization. The Company follows the best practices and adopts the procedures which are in line with Government of India's Guidelines for implementation of Corporate Governance Norms for unlisted CPSEs.

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

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

B. Board of Directors

During the year 2021-22, seven meetings of Board of Directors were held on 23.07.2021, 24.08.2021, 17.09.2021, 12.11.2021, 29.12.2021, 31.12.2021 and 31.03.2022. Due to COVID-19 Pandemic, the Board meetings were held through Video Conferencing.

The details regarding attendance of the Directors in the Board Meetings and the last AGM held on 23.11.2021 and their directorships, committee memberships and Chairmanships are as follows:-

Name of the Director	Category	Number of Board meetings attended during 2021-22	Attendance in last AGM	Number of Directorship in Other Companies	Number of Membership in Committees (including PHL)	
					Member	Chairman
Shri Sanjeev Razdaan	Chairman & Managing Director	7	Yes	1	-	-
Smt. Usha Padhee	Government Nominee Director	6	No	1	1	NIL

Shri Vimalendra Anand Patwardhan	Government Nominee Director	7	Yes	8	9	5
Shri Rajesh Kumar Srivastava	Government Nominee Director & representing ONGC Ltd.	1	No	3	4	NIL
Shri Pankaj Kumar	Government Nominee Director & representing ONGC Ltd.	2	Yes	3	4	NIL
AVM Surendar Kumar Indoria	Government Nominee Director representing Indian Air Force	3	No	NIL	1	NIL
AVM S. Srinivasan	Government Nominee Director representing Indian Air Force	2	N.A.	NIL	NIL	NIL
Air Marshal P.P. Khandekar AVSM (Retd.)	Independent Director	7	Yes	NIL	3	2
Smt. Ami Parikh	Independent Director	1	N.A.	NIL	2	NIL
Shri Naveen Kumar Soni	Independent Director	1	N.A.	NIL	3	1

C. Audit Committee

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

During the financial year 2021-22, the Audit Committee held six meetings on 20.04.2021, 23.07.2021, 24.08.2021, 12.11.2021, 29.12.2021 and 31.03.2022.

The composition of Audit Committee as on 31.03.2022 and attendance in Audit Committee meetings held during the year 2021-22 is given below:-

S. No.	Name of the Director	Designation	Category	Attendance
1	Air Marshal P.P. Khandekar, AVSM (Retd.)	Chairman	Independent Director	6
2	Shri Vimalendra Anand Patwardhan	Member	Government Nominee Director	6
3	Smt. Ami Parikh	Member	Independent Director	1
4	Shri Naveen Kumar Soni	Member	Independent Director	1

D. Nomination & Remuneration Committee

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

As on 31.03.2022, the Nomination & Remuneration Committee comprised of Shri Naveen Kumar Soni, Independent Director as Chairman, Air Marshal P.P. Khandekar, AVSM (Retd.), Independent Director as Member and Smt. Usha Padhee, Government Nominee Director as Member.

During the financial year 2021-22, two meetings of the Nomination & Remuneration Committee were held on 17.09.2021 and 31.03.2022.

E. Annual General Meetings

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

No. of AGM	Financial year	Date	Time	Venue	Special Resolution
34th	2018-19	26.09.2019	12.30 PM	Hotel Ashok, 50-B, Diplomatic Enclave, Chankyapuri, New Delhi-110021.	NIL
35th	2019-20	30.12.2020	2.30 PM	Registered office of the Company at C-14, Sector-1, Noida-201301 (Through Video Conferencing/ OAVM)	NIL
36th	2020-21	23.11.2021	3.00 PM	Registered office of the Company at C-14, Sector-1, Noida-201301 (Through Video Conferencing/ OAVM)	NIL

F. Disclosures

i) Disclosure on materially significant Related Party Transactions.

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

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

iii) Whistle Blower Policy

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

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

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

v) Presidential Directives

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

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

During the financial year 2021-22 the Internal Audit has been carried out by Internal Audit department of the Company. Observations of Internal Audit are periodically reviewed by the Audit Committee of the Board and necessary directions are issued whenever required. The Company has established adequate Internal Financial Control System & Procedures. The Company has a well defined Delegation of Financial Powers to its various executives through the Delegation of Powers Manual.

H. Training of Board Members

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

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

I. Means of Communication

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

ANNEXURE-I OF ANNEXURE-A TO BOARD'S REPORT

DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

I hereby declare that the Company has received affirmation from the Board Members and the Senior Management Personnel with regard to Compliance of the Code of Business Conduct and Ethics of the Company for Directors and Senior Management Personnel, in respect of the financial year ended on 31st March, 2022.

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

Place: Noida
Date: 21.10.2022

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

We Sanjeev Razdan, Chairman & Managing Director and Ajay Gupta, CFO of Pawan Hans Limited certify that in respect of the Financial Year ended on 31st March 2022 :

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

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

  (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

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

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

  a. significant changes, if any in internal control over financial reporting during the year;

  b. significant changes, if any in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  c. instances of significant fraud, if any wherein there has been involvement of management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-	**Sd/-**
(Sanjeev Razdan)	**(Ajay Gupta)**
Chairman & Managing Director	CFO
DIN No. 08711596	

Place: Noida
Date: 21-10-2022

VAP & ASSOCIATES
Company Secretaries

Add: 387, First Floor Shakti Khand-3,
Indirapuram, Ghaziabad-201010, U.P.
Tel : +91-0120-4272409
M: +91-9910 091 070
+91-9711 670 085
E-mail: vapassociatespcs@gmail.com

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

To
The Members,
Pawan Hans Limited.

We have examined the relevant books, records and statements in connection with compliance of the conditions of Corporate Governance of Pawan Hans Limited for the financial year ended 31st March, 2022, as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010 issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India.

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

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

1. At least one-third of the Board Members should be Independent Directors and number of Nominee Directors appointed by the Government shall be restricted to a maximum of two.
2. Two-thirds of the members of audit committee shall be Independent Directors and due to absence of Independent Directors on the Board, quorum of Audit Committee was not in compliance with the provisions of DPE Guidelines.
3. Time gap between any two Board Meetings should not be more than three months. However, on perusal of records of the Company, we observed that the time gap between Board Meetings dated 18.03.2021 and 23.07.2021 is exceeding 3 (three) months. The Ministry of Corporate Affairs vide circular number 08/2021 has relaxed the provisions relating to gap between two meetings due to COVID-19 Pandemic to 180 days.
4. The Board has not reviewed compliance report of all laws applicable to the Company pursuant to the DPE Guidelines.

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

For VAP & Associates
Company Secretaries
FRN: S2014UP280200

Sd/-
(Parul Jain)
Proprietor
M. No. F8323
CP No. 1390

Place: Ghaziabad
Date: 26-12-2022

Annexure-B

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Industry Structure and Developments

India has become the third largest domestic aviation market in the World and is expected to overtake UK to become the third largest air passenger market by 2024. To cater to the rising air traffic, the Government of India has been working towards development of infrastructure to facilitate air connectivity across the length and breath of the country. Helicopters and related services form a considerable part of any National Air Space and Airport System i.e. the General Aviation Market. The civil aviation industry in India has emerged as one of the fastest growing industries in the country during the last three years. Demand for helicopters is anticipated to experience substantial growth during the next five years primarily due to their broad application base, especially in the civil and commercial sectors. However, the COVID-19 Pandemic had significant effect on the helicopter market directly. Furthermore, the COVID-19 Pandemic has adversely affected the tourism industry, thereby affecting revenues of commercial helicopter operators.

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

There are approximately 239 civil registered helicopters in actual usage in India for a population of 138 crores which works out to one helicopter per 57 lakhs people against the world average of one helicopter per 4.45 lakh people. As per the HAI statistics, out of total world civil helicopter population of 41,000, India accounts for less than 1%. In fact, India currently has civil helicopters less than Switzerland. Despite of this statistics, the market and industry remains optimistic about the Indian Civil Helicopter Industry.

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

i) Regional Connectivity Scheme (RCS):

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

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

The scheme specifies airfare caps for helicopters ranging from Rs. 2,480 to Rs.4,970 based on flight duration and inflation. A Regional Connectivity Fund (RCF) to be created through a levy or fee per departure on domestic departures. Further, excise duty on ATF to be reduced from 14% to 2% for a period of 3 years

& VAT on ATF to 1% or less for a period of 10 years. Additionally, support to be provided by airport operators (AAI, State Governments, private players or the Ministry of Defence) in the form of no levy of landing and parking charges on RCS flights etc.

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

PHL has been awarded with 27 routes under RCS bidding and has commenced operations on the following routes:-

1. Chandigarh-shimla-Chandigarh (Six days a week) w.e.f. 28-02-2019.
2. Shimla-Kullu-Shimla w.e.f. 13.05.2019. Further extended to Shimla-Mandi-Kullu-Mandi-Shimla w.e.f 10th Dec 2021(Thrice a week).
3. Shimla-Dharamshala-Shimla w.e.f. 14.05.2019. Further extended to Shimla-Mandi-Dharamshala-Mandi-Shimla w.e.f 9th Dec 2021(Thrice a week).
4. Dehradun New Tehri-Srinagar-Gauchar-Srinagar-New Tehri-Dehradun (Thrice a week) w.e.f. 29-07-2020.
5. Shimla-Rampur-Shimla w.e.f 9th Dec 2021 (Thrice a week).
6. Dehradun-Gauchar-Dehradun w.e.f 8th Oct 2021 (Six days a week)
7. Dehradun-Srinagar-Dehradun (Thrice a week)
8. Dehradun-Haldwani/Pantnagar-Pithoragarh- Dehradun w.e.f 8th Oct 2021 (Six days a week).
9. Dehradun-Haldwani/Pantnagar-Almora-Pithoragarh-Almora-Pantnagar/Haldwani-Dehradun w.e.f 26th Aug 2022.

ii) Helicopter Emergency Medical Services (HEMS):

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

iii) The National Civil Aviation Policy (NCAP) 2016

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

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

iv) Helicopter Operations Policy

Helicoper Operations Policy has been formulated by Ministry of Civil Aviation in October, 2021 to encourage helicopter operations creating demand and growth. The objective of this policy is to address the difficulties being faced by helicopter operators and to make the helicopter operations viable so that they could provide seamless and efficient helicopter services across the country. This policy will also open new opportunities for masses to visit far away and inaccessible location / tourist places.

Impact of COVID-19 Pandemic

During the first quarter of F.Y. 2021-22, India was hit by second wave of COVID-19 Pandemic. To combat this Pandemic, partial lockdowns were enforced in the country. The crew members of the company performed their duties extending to more than one month at a stretch. Your Company also lost few employees due to COVID-19 Pandemic. The Pandemic also adversely impacted the flying hours of the Company.

B. SWOT Analysis

Strength

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

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

Weakness

- Old helicopter fleet.
- Inability to acquire new helicopters on account of hold on incurring of capital expenditure due to ongoing strategic disinvestment.
- Ageing manpower.
- Stiff competition in the market, the margins to be kept low for winning the projects.

Opportunities

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

Threats

- Due to old fleet, cost of repairs has become high.
- Increase in AOG days due to shortage of pilots, increased repair time resulting in imposition of LDs by the customers.
- Stipulation by some clients regarding vintage clause due to which Company may not be able to participate in the tenders.
- Uncertainity caused by ongoing disinvestment.
- Delay in repair and overhaul of components at OEM facilities.
- Logistic / spare supply delays due to ongoing Ukrain – Russia war.

C. **Segment-wise Performance**

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

D. **Outlook**

Pawan Hans has got a six year Business Plan 2021-2026 prepared from ASCI which inter-alia includes taking of the following key initiatives over the next 6 years:

➢ Helicopter Operations:-
  - Strengthen competitive position in existing markets.
  - Long term deployment of 85% fleet and balance 15% for short term deployment.
  - Acquisition of 20 helicopters through leasing and phasing out of 8 old helicopters.
  - Operation & Maintenance Contracts for helicopter owned by others.

➢ Providing of MRO facilities

➢ Establishing Heliports and Heli Hubs

➢ Sea Plane operations

➢ Fixed wing operations

➢ Improvement of customer satisfaction

Strengthen competitive positon in existing markets :-

➢ Renew existing contracts for market advantage.

➢ Maintain high standards for safety and reliability

➢ Selectively pursue international operations whenever opportunity arise

➢ Strengthen its competitive advantage by improving focus on customer needs

➢ Strengthen relationship with customers and other business associates.

Pursue business in new areas :-

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

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

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

Helicopter maintenance services :-

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

Improvement in customer satisfaction:-

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

Strategic Disinvestment

Government of India decided for strategic disinvestment of the entire 51% share holding of Government of India in Pawan Hans Limited along with transfer of management control. M/s SBI Capital Markets Ltd. and M/s.Crawford Bayley & Co. were appointed as Transaction Advisor and legal Advisor respectively by DIPAM, Ministry of Finance for the said strategic disinvestment. M/s.RBSA Advisor was appointed by Ministry of Civil Aviation for valuation of PHL assets. Subsequently, Oil and Natural Gas Corporation Limited ("ONGC"), vide its board resolution dated August 02, 2018, also decided to offload its entire shareholding of 49% in PHL.

The disinvestment process could not be completed earlier due to poor response from bidders.

The strategic disinvestment of PHL is currently in process for which PIM / request for Expression of Interest (EOI) was issued on 8.12.2020. Basis the evaluation of EOIs received till due date (March 05, 2021) and as per IMG directions, shortlisted bidders were provided access to VDR, SIM, RFP and draft Share Purchase Agreement. The shortlisted bidders undertook various due diligence activities and submitted their bids which were technically evaluated. The financial bids were opened on April 23, 2022 and a Consortium of three members (namely Star9 Mobility Pvt. Ltd.) was declared as highest bidder on April 29, 2022.

E. RISKS AND CONCERNS

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

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

ANALYSIS OF FINANCE AND OPERATIONS

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

The revenue from operations earned by your Company during 2021-22 is Rs.38512.77 lakhs as compared to Rs.37237.48 lakhs in the previous year. In percentage terms revenue from operations increased by 3.50% compared to previous year due to better deployment of H/Cs and usage of optimum resources. Profit from operations increased from Rs.2246.14 Lakhs to Rs.8721.46 Lakhs. The Company could achieve this significant increase in Operating Profit due to reduction in liquidated charges, AOG charges and staff cost. Reserves & Surplus of the Company stands at Rs.41252.46 lakhs (P.Y. Rs.43117.72 lakhs).

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

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

HUMAN RESOURCES, INDUSTRIAL RELATIONS AND TALENT MANAGEMENT ISSUES

The staff strength as on 31^{st} March, 2022 was 602 as against 655 as on 31^{st} March 2021. During the year Industrial relations had been cordial. The Company has been sending its pilots and other staff for training as also doing internal training development of its employees on regular basis.

ENVIRONMENTAL CONSERVATION, RENEWABLE ENERGY USE AND R&D ISSUES

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

CAUTIONARY STATEMENT

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

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

Annexure-C

BOARD'S REPLY TO THE QUALIFICATIONS/OBSERVATIONS OF STATUTORY AUDITORS IN THEIR REPORT

Auditors Qualifications/Observations	Board's replies
Basis for Qualified Opinion	
1. *Non adherence of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" as the Company does not have a defined system of cost centres nor does it compare actual vs. budgeted revenue for each customer contract, hence, onerous contracts and provision thereof, if any cannot be quantified.*	Currently company is working out the profitability statement cost centre wise manually. The Company is in process of updating the system so that cost centre wise profitability can be ascertained and can be compared with approved budget.
2. *Non-adherence of Ind AS 24 "Related Party Disclosures" as the management has not obtained complete list of relatives from KMPs & Board, we cannot confirm transactions, if any with such parties during the year. Impact, if any on Ind AS financial statements cannot be quantified.*	There is no transaction with the related party other than disclosed in the financial statement. List of Related parties of KMPs and three directors has already been shared. List of relatives for remaining directors will be taken in due course.
3. *During the FY 2019-20, Company has provided helicopters on charter business to a customer, estimated revenue for the period of flying was to be received in advance. Neither has the amount been received in advance nor approval from competent authority waiving receipt of advance has been provided to us. We have also observed excess billing in contravention of the agreement, which has been flagged by the customer and accepted by the Marketing Department. Out of total amount due from the customer aggregating to Rs 436.79 lakhs, confirmation received from the customer amounting to Rs 252.30 Lakhs only. The company has issued a credit note amounting to Rs 101.71 Lakhs & Rs. 76.87 lakhs in F Y 2020-21 and FY 2021-22 respectively to customer. Balance amounting of Rs 5.91 Lakh neither received subsequently nor any confirmation is received from the customer. hence, its impact on the Ind AS financial statements cannot be quantified.*	As per agreement with the customer, the customer has to pay minimum 2 hours of flying per day or actual hours flown whichever is higher but customer is willing to pay the amount based on actual flying hours during contract period subject to minimum average 2 hours of flying per day. As per books of Accounts during the FY 2018-19 & FY 2019-20, Total billing of Rs 1215.89 Lakhs was made to party against which Rs. 1019.72 Lakhs was received and Rs 17.58 Lakhs have been deducted as TDS by the Party. For balance amount of Rs. 178.58 Lakhs after getting necessary approval from competent authority necessary reversal entries for Rs. 101.71 Lakhs was passed in F Y 2020-21 & Rs. 76.87 lakhs in F Y 2021-22. Accordingly there is NIL balance now against the party.
4. *During the FY 2019-20, NTPC helicopter was provided to a customer for charter business and credit @ 91.5% has been passed on to the former. As stated in point no. 3, the customer has disputed dues for days when the helicopter was on standby, which needs to be recovered from NTPC amounting to Rs. 46.45 lakhs. This has resulted in increase in Revenue by Rs. 4.32 lakhs and decrease in Loss from Continued Operations for the year by the aforesaid amount. No further adjustments/reversal has been made in the books of account of the current financial year.*	Although NTPC is not ready to pay the amount, the necessary Debit Note will be issued to NTPC in F Y 2022-23.

5. *The company has accounted for Unbilled Revenue of Rs. 1,078.67 lakhs during FY 2019-20 in respect of a customer on account of foreign exchange fluctuations for the period 2015-2020, which was wrongly passed to the customer in contravention of the agreements. Aforesaid amounts has been billed subsequently, amount whereof has neither been received nor confirmed by the customer. Further, Allowance for Expected Credit Loss (ECL) on Contract Assets of Rs. 812.44 lakhs has been accounted for against unbilled revenue as at the year-end. This has resulted in increase in Revenue and Contract assets by Rs. 1,078.67 lakhs, increase in Allowance for Expected Credit Loss (ECL) on Contract Assets by Rs. 812.44 lakhs and decrease in Loss from Continued Operations for the year by Rs. 266.23 lakhs for FY 2019-2020. The company has provided for Allowance for Expected Credit Loss (ECL) amounting to Rs. 35.06 Lakh in FY 2020-21. The Company has not recovered any amount of the Billed Revenue of Rs. 1,078.67 lakhs from the customer during the year.*	This Audit Qualification is repetition of Audit Qualification of F Y 2019-20 & F Y 2020-21 which was explained in detail last year. The total unbilled revenue of Rs. 1078.67 Lakhs accounted for in books of accounts against which the provision for expected credit loss of Rs. 812.44 lakhs have already been provided in F Y 2019-20 & Rs. 135.06 Lakhs in F Y 2020-21. Therefore, company has already taken the necessary action in compliance with accounting standard requirements. Company is in constant touch with the customer for payment.
6. *Non-provision of Liquidated damages charged by one customer as confirmed by the Marketing department. Amount due from the customer is Rs. 462.03 lakhs as at the year-end, which has neither been received subsequently nor confirmed by the customer, hence, its impact on the Ind AS financial statements cannot be quantified. However, Liquidated damages amounting to NIL (F.Y 2020-21 Rs. 109.99 lakhs) have been reversed/charged for which no documents or explanations has been provided to us.*	The customer had not charged yet the Liquidated charges since the beginning of the contract i.e. since 2011. The company has taken up with the customer to waive off the LD. Although LD has been accounted for in books of accounts and being followed up with customer for recovery of amount.
7. *The company has got actuarial valuation of gratuity of its all employees done by an actuary as at the year end, including for contractual employees e.g. Base assistants, helpers etc. working at different bases of Northern Region and Associate helicopter pilots hired by the company up to FY 2021-22 and contractual employees hired during the year. However, we are unable to compare the no. of employees with actuarial valuation report due to non-availability of payroll sheet/data of the employees of the Company. Impact, if any, on the Ind AS financial statements cannot be quantified.*	The necessary documents related to Payroll sheets were shared with Auditors to verify the actuarial valuation of all employees along with direct access to the Payroll Package for their verification.

8.	*The company while calculating depreciation as per component accounting has considered 'zero' flying hours on the date of transition i.e. April 1, 2015 for all identified components. However, such components were already in use from their respective date of capitalization. As explained to us, actual hours flown of each component on April 1, 2015 could not be identified, hence, its impact on the Ind AS financial statements cannot be quantified.*	While calculating Depreciation for component accounting as of April 1, 2015 we considered Zero Flying hours as on date of transition i.e. for MGB, Engines and Embedded cost. For Hull we considered life of 35 years. Out of MGB, ENGINES and Embedded we have already revised depreciation as per actual flying hours for MGB and Engines in 2019-20 and 2020-21 respectively from transition period i.e. from 2015-16 onwards. The company will rework depreciation on embedded cost based on actual flying hours in subsequent year with effect from 01/04/2015. The WDV of embedded cost is remaining Rs. 1385.10 Lakhs as of 31/03/2022 which is hardly 1.46% of the total Property Plant and Equipment which is not having that material effect. The same is depreciated based on actual flying hours basis.
9.	*The company has used carrying value on the date of transition i.e. April 1, 2015 as deemed cost of Property, Plant and Equipment. The company has considered Embedded maintenance of Rs. 40 lakhs for each Dauphin N3 helicopter and Rs. 60 lakhs for each Dauphin N helicopter. Basis of such allocation could not be justified and hence, its impact on the Ind AS financial statements cannot be quantified.*	The Embedded Maintenance of Rs. 40.00 Lakhs for N3 fleet and Rs 60.00 Lakhs for N Fleet has been determined considering Average expenditure of G-Maintenance incurred on the N and N3 Fleet in the transition period only, which has been explained in the accounts of 2016-17. Further, from the FY. 2017-18 onwards the embedded cost is being capitalized on actual basis
10.	*Branch Auditor in western region has observed that The Company and Administration of Daman & Diu had Entered into a Memorandum of Understanding (MOU) dated 29th September 2017 to Lease One Dauphin SA 365N Helicopter for a period of 3 Years from the date of Signing. During the financial year 2021-2022, the Company had provided Dauphin SA 365N3 Helicopter instead of Dauphin SA 365N Helicopter to Administration of Daman & Diu which has significant higher Fixed Monthly Charges and Hourly Flying Charges than that of Dauphin SA 365N Helicopter. If the Dauphin SA 365N3 Helicopter was deployed to other Customers, it would have fetched Significant higher revenue than the current agreement. The Management is of the view that Dauphin SA 365N Helicopter could not be provided due to the non-Availability of the Helicopter during the financial year ended 31st March,2022. The Non-Availability of Dauphin SA 365N Helicopter has resulted into revenue Leakage Amounting to Rs. 6,43,89,528.*	Initially the Company had deployed Dauphin N as per the contract, later, on the request of Customer Dauphin N3 was deployed and conveyed to the customer to pay the rates of Dauphin N3. The company was regularly following up with the customer to pay the rates of Dauphin N3. The Company has taken up the matter with MHA. At present, the Administration is in process of awarding one more year extension at revised Dauphin N3 rate of Rs. 99.00 Lakhs FMC and Rs. 99,000/- FHC w.e.f. 01/04/2022.

11.	*A. Branch Auditor in western region has observed that The Company's Loans and Advances received (Liabilities) amounting to Rs. 5,60,503 and Trade payable amounting to Rs. 36,07,269 are outstanding for more than 3 years. Payments have not been made to the parties and no confirmations have been received. This has resulted into overstatement of Liabilities and understatement of profit to the extent of Rs. 41,67,772.*	Rs. 5.60 Lakhs is payable to left employees which will be done based on the final clearance. Out of the trade payable amounting to Rs. 36.07 Lakhs an amount of Rs. 4.60 Lakhs is payable to airport authority which will be set off against the recovery to be made from the said party. Hence these two amounts cannot be written off. Further for the balance amount of Rs. 31.48 Lakhs out of the trade payable necessary provision for outstanding Liabilities against expenses has been made in books of accounts and the same will be settled based on the receipt of bills with proper supporting.
B.	*Branch Auditor in western region has observed that The Company's Trade Payables includes trade payables having debit balance amounting to Rs. 3,79,781 which are outstanding for more than 3 years for which no provision has been made by the company and no confirmation have been received. This has resulted into overstatement of Assets and overstatement of profit to the extent of Rs. 3,79,781.*	Out of Rs. 3.80 Lakhs we have already made provision for bad debts Rs. 2.30 Lakhs.Further an amount of Rs. 0.50 Lakhs is pending with AAI Diu for which reconciliation is under process. For the balance amount rigorous follow up is being done for settlement.
C. i)	*In Northern Region, as per bill wise analysis of Debts recoverable and outstanding, it has been noticed that bills amounting to Rs. 2534.22 Lakhs (March 31, 2021. Rs. 2005.53 Lakhs) are outstanding mainly from outside parties except Central Govt./State Govt/Union Territories, out of which Rs. 519.93 Lakhs (March 31, 2021 Rs. 509.80 Lakhs) is outstanding for more than three years.*	
ii)	*Debts recoverable and outstanding Rs. 11683.66 Lakhs (March 31, 2021 Rs. 11289.51 Lakhs) are outstanding mainly from Central Govt./State Govt/Union Territories out of which Rs. 2124.19 Lakhs (March 31, 2021 Rs. 1863.72 Lakhs) is outstanding for more than seven years.*	As mentioned provision of Rs. 6251.42 Lakhs is carried in the books based on lifetime expected credit loss as worked out at year end in compliances with the Ind AS. The outstanding bills and bills partly paid are being followed up and the management is of the view that most of the old dues from Central Govt./ State Govt./ Union Territories will be recovered in the near future.
iii)	*A provision of Rs. 6251.42 Lakhs (March 31, 2021. Rs. 6599.49 Lakhs) is carried in the books based on lifetime expected credit loss as worked out as at year end. The outstanding bills and bills partly paid are being followed up and the management is of the view that most of the old dues from Central Govt./ State Govt./ Union Territories will be recovered in the near future.*	

12. a) *Management is in the process of reconciling figures of Services rendered and services availed/ purchases made incorporated in the respective returns i.e. GSTR-1, GSTR-3B, GSTR-7 with those appearing in the book of accounts and services availed/purchases shown in GSTR-2A with books of accounts.*

Particulars	***Northern region***	***Corporate Region***
Turnover as per Financials (excluding other income)	*13,211.39 Lakh*	*Nil*
GSTR3B	*14,498.79 Lakh*	*2.85 Lakh*
GSTR 1	*14,494.55 Lakh*	*-566.64 Lakh*

Corporate Office-

Taxable Sundry Income in books is Rs. 2.88 lakhs out of this Rs. 2.85 lakhs has been shown in GSTR-1 & GSTR-3B and balance of Rs. 0.03 lakhs has been shown in GSTR –1 & GSTR-3B of F.Y.2022-23.

GST was paid on advance amount of Rs. 672.00 lakhs inclusive GST (Taxable Rs. 569.49+GST Rs. 101.51) which was received against contract from UT of Lakshadweep Govt. in F.Y.2018 & 2019. During previous year the contract could not be materialised, hence, aforesaid advance amount refunded/adjusted by UT of Lakshadweep Govt. against our billing. Accordingly, the company had reversed the taxable amount of Rs. (-) 569.49 lakhs in GSTR -1 and after adjusting the sundry income of Rs. 2.85 lakhs, the net balance amount of Rs. (-) 566.64 lakhs was shown in GSTR-1.

This is the reason it is showing in GSTR-1 as negative figure.

Northern Region-

Particulars	**(Rs. in Lakhs)**
Total Income including Rohini Heliport Income	14204.76
Less: Income on which GST not Applicable like VGF/Interest Income/ Excess Provision W/o. Etc.	2164.41
ADD: ONLY CONSIDER IN GST (Expenses Transferred to Bases/Regions including Transfer of Inventory)	6388.25
Turnover shown in GST Return	**18428.60**

From the above it can be seen that there is no difference between Total Income shown in Statement of Profit & Loss & GST Return. All Working detail /Reconciliation has been shared to Auditors during the course of audit.

b) *Branch Auditor in Western Region Observed, in respect of GST, the company is in the process of reconciling inputs availed with GSTR 2A. Further during the course of audit certain instances have been observed where E-invoices of Revenue were raised in financial year 2022-23 which were pertaining to financial year 2021-22 and payment of GST liability for the same has been made in financial year 2022-23 with the authorities This could potentially result in levy of interest and other penal provisions of statutes for the non-compliance.*

The Delay in raising the GST invoice for reimbursement of Expenses was due to late receipt of information. As the reimbursement of expenses is pertaining to year 2021-22 the same is booked accordingly. Further as mentioned above due to receipt of information after the balance sheet date the E-Invoice could be raised only in 2022-23.

	Due to same we are unable to comment on the actual /correct revenue booked in the books of accounts and GST Returns which may effect the Revenue of the company and impact, if any, on the Ind AS financial Statements.	
13.	*i) Management is in the process of reconciling figures of TDS Deducted and Deposited on Expenses/Purchases booked in the Profit & Loss Account/ Books of accounts with TDS Returns filed with the Income Tax Authorities. This could potentially result in levy of interest and other penal provisions of statutes for the non-compliance of Income Tax Act 1961.*	The Corporate office/ Northern Region has already reconciled the expenses shown in Statement of Profit and Loss with the TDS Return filed along with TDS deducted and TDS deposited with the income tax authorities. The same has been shared with the auditors during the course of audit.
	ii) Branch Auditor in western region has observed that The Company has not deducted Tax Deducted at Source (TDS) for provision of expenses made in the books of accounts and few instances were noticed where there is a delay in accounting of expenses which has further resulted into delay in depositing the TDS liability with the Authorities. Also, the company has deducted TDS on payment basis which is not in line with the provisions of Income Tax Act,1961. This could potentially result in levy of interest and other penal provisions of statutes for the non-compliance Income Tax Act 1961.	The provisions are being made in our accounts based on the information received from the concern department as on the balance sheet date. However as and when the original tax invoice is received duly authorised by the competent authority the tax is deducted at source while making payment to the party and the said TDS amount is deposited with the government treasury by its due date
14.	*It was observed that TDS/TCS Recoverable has been under booked amounting to Rs. 6,02,510. However, as per the explanation provided by management, the balance amount of Rs. 6,02,502 will be claimed while filing the ITR for the FY 2021-22 and the effect of entries will be taken in FY 2022-23 keeping in view of closing of entries in current year. Hence, its impact on the Ind AS financial statements cannot be quantified.*	TDS/TCS amounting to Rs. 6,02,502.00 related to 15 nos. of customers/supplier as the books has been closed in order to finalize the annual accounts, the said amount will be claimed while filing the ITR of the current year. The Company will not lose the said amount and entries will be passed in the next financial year.
15.	*As stated in Note No. 32 XXXIX (A) regarding the Ageing of Trade Receivables/Sundry Debtors, Note No.32 XXXIX (B) of Trade Payables/ Sundry Creditors and Note No. 32 XXIX we have not received and verified any basis of such age wise bifurcation/ratio analysis and relied upon the same as provided to us.*	The details of aging of debtors and creditors have already been provided along with desired ratio analysis. Also the Auditors have the access to IISP package for verification of Data.

16.	*Reference is invited to Basis for Qualified Opinion paragraph, wherein clauses 1 to 3 and 6 to 15 either have no effect on the Ind AS financial statements or their impact cannot be quantified. Clause nos. 4 & 5 will result in increase in "Revenue" by Rs. 1082.99 lakhs,, increase in "Contract Assets" by Rs. 812.44 lakhs, decrease in "Loss from continued operations" for the year by Rs 270.55 lakhs with consequential impact on Deferred Tax and EPS for the year ended on March 31, 2022.*	Adequately explained above.

Emphasis of Matter

1.	As stated in Note no. 32 VI (e), during the year, company has reversed the write off certain helicopter components having written down value of Rs. 1263.42 Lakhs (net) having prior period effect on property plant and equipment as disclosed under Note No.3.1 of the financial statements. These components were already scrapped much prior to adoption of Ind AS, however they were erroneously written off from property, plant and equipment in the previous years as well. Out of the above figure Rs. 1287.55 Lakhs has been credited to Retained earnings of FY 2019-20 while there has been increased on depreciation of FY 2020-21 by Rs. 24.13 Lakhs and same has been debited to previous year's statement of profit and loss.	As certain Modules were written off twice erroneously during the previous years and the same has been rectified in 2021-22 and adjusted in retained earnings as prior period item
2.	As stated in Note no. 32 XXXIII viii A, during the year, lifetime expected credit loss allowance has been accounted for by the company, based on certificate provided by the consultants. However, the Consultants have not considered factors like e.g., excess/under billing or liquidated damages deducted by the customers, but not accounted for by the company etc. as highlighted by us elsewhere in the report. Therefore, allowance for Expected credit loss accounted for by the company cannot be substantiated, consequential impact, if any on the Ind AS financial statements cannot be quantified.	There is no excess /under billing during the year. Undisputed Liquidated damages are accounted for in the books of accounts as and when levied by the customer as per agreement.
3.	As stated in Note No. 32 XXVIII (b), the company has not worked out operating cycle for classification of assets & liabilities into Current & Non- current, as required by Schedule III of the Companies Act, 2013 but has assumed it to be 12 months.	The Company has adopted normal operating cycle of 12 months as per Schedule III of Companies Act, 2013.

4.	As stated in note no. 32 XXVIII(a), the company has identified dues as on March 31, 2022 to Micro and Small enterprises only in respect of Corporate Office and Western region. Confirmations were sought from the suppliers regarding applicability of provisions of 'The Micro, Small and Medium Enterprises Development Act, 2006', but no response was received in corporate region and response received in Western region was limited. Therefore, we are unable to comment on compliance of the aforesaid Act by the Company.	Payments are made within the schedule as per terms of contract agreement however, on the matter of obtaining dues confirmation, a system of quarterly confirmation would be ensured instead of having a limited response at the year end. It is further stated that all helicopters owned by PHL are foreign made and as no items are available locally due to proprietary of spares and modules available only with the OEMs, the listed 358 items on MSEs as such do not meet Aviation Standards and regulatory requirements. However, such of the goods and services which are beyond the domain of helicopters spares and modules are procured from the MSEs over the years and all efforts are made to achieve the target to the extent possible.
5.	On our test check, we have observed that the company is yet to register itself under Professional tax for Aizwal & Gangtok bases and deduct and deposit Labour welfare fund for non-executive & directly employed contractual employees working at Rohini Heliport & Guest House, at CWG Village.	Professional Tax registration for Aizwal and Gangtok locations is under process. The registration has been done in GOI, Ministry of Labour & Employment Shram Suvidha portal online in Sept 2022 for PHL, NR at Rohini Heliport, Rohini, Delhi and the Establishment LIN Number is 1-2480-7748-4. We hereby assure to deduct & submit contribution towards labour welfare fund as per prescribed rates.
6.	As stated in note no. 32 XV (b), As per provisions of 'The Building and Other Construction Workers Welfare Cess Act, 1996' as principal employer, Company was required to deduct 1% labour cess aggregating to Rs. 52.70 lakhs excluding interest and penalty, if any from the contractor's bill for works contract carried out at Rohini Heliport, New Delhi which was capitalized in the financial year 2016-17. The Company has neither deducted nor deposited labour cess with Union Territory of Delhi for aforesaid works contract. The amount has to be recovered from the contractor and deposited; however, the matter is subjudice. This is a continuing default.	In case of Rohini heliport amount payable on account of Labour welfare Cess is Rs. 52.70 lakhs i.e. 1% of Rs. 5269.70 Lakhs which was paid/payable to M/s. Dinesh Chandra R Agarwal Infracon Pvt. Ltd. In case of Rohini Heliport, Labour Cess amounting to Rs. 52.70 Lakhs is required to be paid by the contractor M/s DRAIPL. The same was part of the counter claims of the PHL.
7.	As stated in Note No. 2 B (vi), estimated useful life of Helicopters was increased from 20 years as stated in Schedule II of the Companies Act, 2013 to 35 years for Dauphin/Bell/Ecureuil fleet and 30 years for MI fleet, based on suggestion by internal technical committee leading to lower depreciation charge for the year with consequential impact on identification of onerous contract, loss from continued operations, deferred tax and reserves for the year. We have observed that in the past few years, Aircraft On Ground (AOG) days, levy of Liquidated damages by clients has increased, revenue flying hours has decreased, and non-availability/support of few avionics spares of Dauphin AS 365N due to obsolescence from the manufacturers/OEM's has lead to permanent grounding of 5 Dauphin N helicopters which have been impaired during the year. As it is a technical matter, we have relied on the assessment of the technical committee.	The estimated useful life of the helicopters have been assessed by the internal technical committee. The life of Bell & Airbus helicopters are indefinite. The Airbus helicopters have given an assurance to provide product support upto 30 to 35 years which has been the basis for giving the life as 30 to 35 years. In case of Mi-172 helicopters, the Russian Helicopter's has provided a definite life of 30 years and any further enhancement will be based as life extension programmes provided by them. Globally the helicopters are deployed on the basis of Air worthiness certificate issued by the Regulatory Authority of the concerned country. Thus, the only criteria for determining useful life of a helicopter is the valid Airworthiness Certificate issued by DGCA (Regulatory Authority) with continued OEM spare support

8.	As stated in Note no. 32 VI d, the management is of the view that impairment testing of assets is not required, as the carrying value of its assets does not exceed its recoverable amount, however, value in use cannot be calculated for want of information i.e. future cash flows expected to be derived from the asset.	The Company is of the opinion that since helicopters owned by the company are certified for airworthiness by DGCA on periodic/ annual basis & have earned revenue and as per OEM helicopter can fly till helicopter is Airworthy and regular supply of the spare parts are available for particular type of fleet.
9.	As stated in Note no. 32 XV, Rohini heliport was capitalized during the financial year 2016-17 on provisional basis and the contractor had gone into arbitration. Arbitration award was pronounced on 3rd July, 2019, substantially allowing claims of claimant and partially allowing counter claims of the Company. Subsequently, the Company filed objections against the award with the Hon'ble High Court of Delhi, which has granted interim stay. Pursuant to Orders passed by Hon'ble Delhi High Court, PHL has deposited Rs. 1362.42 Lakhs in the Registry and the award has been stayed. The next date of hearing is 12.10.2022. As the matter is subjudice, impact if any, capitalization of Property, Plant & Equipment and consequential depreciation, cannot be quantified	Latest Update on the matter is adequately explained in Notes to Accounts No.32 (XV).
10.	As stated in Note No. 32 XVI, the Company had got contract for construction of Helicopter Training Academy cum Heliport at Hadapsar, Pune from the DGCA on deposit basis. The same was sub contracted to NBCC, which had handed over the building to the company in 2016. The company has no documents to certify handing over the stated building to DGCA. Neither has insurance has been taken for the building nor any security guards deployed. In case of pilferage at/ damage to the building, loss, if any will have to be borne by the company.	The infrastructure developed by PHL at Hadapsar is in the possession of DGCA since its completion. The company has handed over the building to DGCA on 20.11.2020 along with handing/taking over of the assets at Hadaspur Gliding Centre, Pune. Further the question of insurance for the building and any security guard does not arise as the building has been handed over to DGCA.
11.	As stated in Note no. 32 IX, Balance confirmations were circulated to parties covered under the head Trade receivables, Trade payables, Long term and short-term liabilities, Other Current liabilities, Long term and Short term Loan & Advances and deposits but no response was received. Pending confirmation and reconciliation, consequential impact on the Ind AS financial statements cannot be quantified.	Balance confirmation letters sent at the year end to our trade receivable / payable with intimation that their response/confirmation should be directly sent to statutory auditor.

12.	The company has followed component accounting since the date of transition i.e. April 1, 2015 for its Property, Plant & Equipment. The company has identified six major components of the helicopters namely Engine, Main Gear Box (MGB), Hub Assembly, Transmission Assembly, Embedded maintenance and Hull. Engines of Dauphin N & N3 fleet are depreciated on average flying hours instead of actual flying hours for the year. Further, cost of overhaul of Engines of Dauphin N & N3 fleet during the year has been capitalised as a single line item, without charging off balance of respective components to the Statement of Profit & Loss. However, Branch Auditor of Western Region has observed that region has used carrying value on the date of transition i.e., April 1, 2015 as deemed cost of Property, Plant and Equipment. The Region has considered embedded maintenance of Rs. 40 lakhs for each Dauphin N3 helicopter and Rs. 60 lakhs for each Dauphin N helicopter. Basis of such allocation could not be justified and hence, its impact on the Ind AS financial statements cannot be quantified.	The Company has followed component accounting policy for helicopter as per IND AS and divided h/c in six parts since 2015-16. While depreciating we considered average flying hours at time of transition for MGB, Engine and Embedded cost which was qualified by Statutory Auditors in past. The PHL depreciated based on actual flying hours since transition of accounting policy for MGB in F Y 2019-20 and for Engine in F Y 2020-21. Thereafter, MGBs & Engines are depreciated on actual flying hours basis only
13.	During the year under audit, we have observed gaps in internal control in Internal Financial Controls over financial reporting annexed to our report. Hence, internal audit needs to be strengthened and scope enhanced to ensure in-depth verification of functional departments other than Finance specifically Fixed Assets Management, Inventory Management, Bidding Process, Procurement Process, Accounting and Recoverability of Revenue, Statutory Compliances, Human Resources Management and Information Technology General Control etc to make it commensurate with the size and nature of operations of the company.	Internal Audit is being strengthened with addition of manpower by transferring of staff from different deptt.
14.	The amount of advance tax includes Rs. 6,968.89 Lakhs (March 31, 2021 Rs. 7652.05 Lakhs) relating to completed assessments upto the assessment year 2018-19 and Rs. 445.48 Lakhs pertains to A.Y. 2019-20, A.Y. 2020-21 & A.Y. 2021-22 in respect of which assessment is yet to be completed and balance advance tax of Rs. 735.35 Lakhs pertains to current financial year.	In this regard, it is stated that the same Para has been disclosed in our Note no.32 Additional Notes to the Financial Statements –Taxation XIV (C) which has been mentioned in Emphasis matter, please also refer Note for Taxation: Tax Contingencies note no.32 (II) (C) (i) and also refer our year wise detailed statements on Taxation which has been shared with you in last year audit also.

The refundable amount of aforesaid advance tax as on 31 March, 2022 amounting to Rs. 6,968.89 Lakhs upto the assessment year 2018-19 (March 31, 2021 Rs. 6,472.74 Lakhs), is not quantifiable at this stage as these cases are pending with CIT/ ITAT. Hence, net amount recoverable /adjustable towards refund from the Income Tax Department has been shown under "Non-Current Assets" amounting to Rs. 6,809.45 Lakhs (March 31, 2021 Rs. 6,526.33 Lakhs) and balance amount of Rs. 1,340.07 Lakhs (March 31, 2021 Rs. 2350.39 Lakhs) has been shown under "Current Tax Assets".

In this context, it is further clarified and submitted, that out of total advance tax deposited in earlier years i.e. Rs. 6968.89 lakhs, Rs. 5996.31 lakhs deposited against demand raised by Income Tax department against disallowance of Interest on GOI dues claimed by the Company in various assessment years for which the PHL is in ITAT forum.

Now, gradually the case has been heard by ITAT and during the current year the Company got favorable orders for the AY 1990-91 & 1995-96 vide order no.ITA No.419/DEL/1994 and ITA No.319/DEL/2001 both dated 14.07.2021. Further, on 08.08.2021 ITAT vide ITAs No.320 & 321/DEL/2001 for the AY 1996-97 & AY 1997-98 ITAT had passed the order in PHL favour.

Accordingly, the Company is hopeful to get the favorable orders in other assessment years also, as issues are same and ITAT has already passed the order in PHL favour in four assessments years.

15. As stated in Note No. 32 II (c) (iii), Contingent Liability relating to Service tax been increased from Rs 7346.81 Lakh as on 31-03-2021 to Rs 7435.07 Lakh as at 31.07.2022. Show Cause Notice relates to the period April, 2009 to June, 2017 from the service tax department. Company is contesting against the show cause notice issued by the Service tax department with Commissioner of Service Tax for Demand Notice of Rs. 18.59 Lakhs, at Tribunal for Demand Notice of Rs. 2431.09 Lakhs, at Commissioner of CGST & CX(Appeals) for Demand Notice of Rs. 364.40 Lakhs and for Demand Notice of Rs. 265.15 Lakhs adjudication is awaited, Original-in-Order dated 06.07.2021 has been received for payment of service tax of about Rs. 4355.84 Lakhs including Penalty and Interest against Helicopter provided on lease to North Eastern States for the period 2014-15 to 2016-17 however, the company expects that there will be no significant impact on the results of operations or cash flows, based on opinion received from a consultant.

Considered in Contingent Liabilities at Note No.32(II).

16. As stated in Note No. 32 XXV, Government of India decided for strategic disinvestment of the entire 51% shareholding of government of India in Pawan Hans Ltd. along with transfer of management control. For this purpose, SBI capital markets were appointed by DIPAM, Ministry of Finance on 20th March, 2017 as Transaction Advisor for the said strategic disinvestment. In addition to the above DIPAM also appointed M/s. Crawford Bayley & Company as Legal Advisor & M/s. RBSA Advisor for valuation of PHL assets.

The process of activities involving issue of expression of interest (EOI) along with Preliminary Information Memorandum (PIM) was started in March 2017 and 1st EOI for inviting Global bids was issued on Oct 13, 2017, which was withdrawn on April 6, 2018 as there was only one eligible bid for the next stage (Financial bidding).

Thereafter, 2nd EOI along with Preliminary Information Memorandum (PIM) was issued on April 14, 2018 and corrigendum to the PIM issued on May 31, 2018 with last date of submission as June 18, 2018.

Consequent to the above, Oil and Natural Gas Corporation ("ONGC"), vide its Board resolution dated August 02, 2018, communicated its intent to offload its entire shareholding of 49% in PHL. In light of this development, an addendum to PIM was issued on August 15th, 2018 to provide all potential and existing bidders an opportunity to participate in the disinvestment process. Accordingly, last date for submission on Expression of Interest (EOI) by Interested Bidders was extended up to September 12, 2018, which was further extended up to September 19, 2018. Process of evaluation of bids was carried out and Confidential Information Memorandum (CIM) document was issued and access to VDR was given to the selected bidders on 9th October, 2018. Thereafter RFP was issued on 18th December, 2018 and final SPA document incorporating comments /suggestion of SBs was uploaded on the VDR on 1st March, 2019 inviting bids by 5th March, 2019, which was further extended for another one week i.e., up to 12th March, 2019 based on the request of shortlisted bidders.

Latest update on Disinvestment is given at Additional Notes to Accounts No.32(XXV).

Against the above, only one bid was received by due date i.e., 12th March 2019. After scrutiny of the Bid Transaction Adviser (SBI Capital) informed that the bid is conditional and incomplete in content and also attracts disqualification as per section 8, disqualification of RFP. Accordingly, bid was rejected and the matter was referred to DIPAM for further decision in this regard.

After detailed deliberations, Alternative Mechanism (AM) conveyed their decision on 3rd May, 2019 to issue fresh EOI/PIM to widen the participation of bidders. Accordingly, revised PIM was prepared based on the decision taken during the EC meetings held on 13th and 17th May, 2019 and after approval the same was issued on 11th July, 2019 with last date of submission as 22nd August 2019. The date of submission of the bid was extended thrice based on the request of the bidders up to September 12, 2019, September 26, 2019 & October 10, 2019 respectively. Against the above EOI bids were received. However, there was only single bid qualified for the next stage (Financial bidding) and could not be processed further.

Keeping in view of the above, DIPAM directed SBI Cap to have Road Show with the prospective bidders and accordingly meetings with the bidders were organized and inputs/observation given by them were informed to DIPAM by SBI cap for further decision in this regard.

The strategic disinvestment of GOI's stake (51%) in PHL is currently in process for which PIM/Request for Expression of Interest (EoI) was issued on December 08, 2020. Basis the evaluation of EoIs received till Due Date (March 05, 2021) and as per IMG directions. Bidders shortlisted pursuant to evaluation of EOIs were provided access to VDR, SIM, RFP and draft Share Purchase Agreement. The shortlisted bidders undertook various due diligence activities and submitted their bids which were technically evaluated. The financial bids were opened on April 23, 2022. A Consortium of 3 members (namely Star9 Mobility Pvt. Ltd.) was declared as highest bidder on April 29, 2022.

17. During the Financial Year 2019-20, the company has initiated a scheme of Associate Helicopter Pilots to retain and enhance its strength of pilots. 37 Pilots have joined under the scheme, out of which 32 Pilots were already working with the company as regular/ contractual employees during FY 2019-20 and 10 Pilots have joined during FY 2020-21 out of which 3 Pilots were already working with the company as regular/ contractual employees, As on 31-03-2022, 45 Internal and 20 External Associate Helicopter Pilot has been appointed, out of which 13 Internal and 11 External Pilot have left the company. Currently, only 41 Associate Helicopter Pilot are associated with the company. Implementation of aforesaid scheme has lead to increased cash outflow and additional costs being borne by the company, amount whereof cannot be quantified. The scheme as approved by the Board was implemented by the HR Department.

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

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

Accordingly, keeping in view the CTC of regular Pilots in PHL and the prevailing emoluments package in private helicopter companies, a suitable package was worked out and it was decided to create a new vertical to recruit type-rated Pilots on different terms and conditions including pay packages and they have been classified as Associate Pilots. It may be noted that during the period from 2017 to 2019, there was attrition of about 41 pilots who either resigned or did not renew their contract. Whereas, after introduction of Associate Pilot Scheme, 44 internal Pilots have opted for the scheme and about 13 Pilots have joined from outside and there has been attrition of only 01 pilot since introduction of the scheme and there has been a considerable savings on account of AOG/LD with the customer. As compared to the existing CTC of regular Pilots at E4 and E-6 level, flying in offshore, Mumbai with average 45 hrs of flying which is about Rs. 3.63 lacs and Rs Rs. 4.57 lacs respectively and the CTC of Associate Pilot at E4 and E-6 level also comes to Rs. 4.70 lacs and Rs. 4.72 lacs respectively. As such the scope of attracting type-rated Pilots from outside market has become substantial so as to enable the Company built up its strength and to participate in future business prepositions having sufficient strength of Pilots in the Roll of the Company. Therefore, it may be appreciated that there is no enhanced liability on introduction of this scheme.

18. Branch Auditor of Western region has observed, the Region and Administration of Lakshadweep had entered into a Memorandum of Understanding (MOU) to Lease two Dauphin SA 365N Helicopters and one Dauphin SA 365N3 for a period of 2 Years until 31/03/2022. During the financial year 2021-2022, various instances were noticed wherein the Region had provided Dauphin SA 365N3 Helicopter instead of Dauphin SA 365N Helicopter to Administration of Lakshadweep which has significantly higher Fixed Monthly Charges and Hourly Flying Charges than that of Dauphin SA 365N Helicopter. If the Dauphin SA 365N3 Helicopter was deployed to other Customers, it would have fetched significantly higher revenue than the current agreement. The Management is of the view that Dauphin SA 365N Helicopter could not be provided due to the non-availability of the Helicopter during that period. Such Non-Availability of Dauphin SA 365N Helicopter due to operational inefficiencies results in revenue leakages, the impact of which on financial statements could not be quantified.	In the Addendum / Agreement, there is a provision of two Dauphin N and one Dauphin N3 helicopters and rates have been clearly defined for both these helicopters. PHL has supplied 2 Dauphin N and one Dauphin N3 and in rare circumstances has there been more than one Dauphin N3 during the period. Secondly in Lakshadweep there is a provision of fuel transportation support and TA/DA to meet our expenses. Every Agreement of PHL has a provision for a back up helicopter in case of unavailability of helicopter. Implementation of such a clause for customer care and in long term interest of PHL may not be termed in a narrow view as a " leakage". Dauphin N3 helicopter at times have been used as a back up helicopter at Lakshadweep rather than hiring a helicopter from the outside market to the mitigate contractual obligation. Whenever the N3 helicopter was provided, it was not deployed for other contracts so was un-used/idle. Alteast by using for Lakshadweep it generated revenue which was much more than the fixed cost. Due to such a strategic outlook, PHL has been able to retain such customers since 1987.
19. Branch Auditor of Western Region has observed that, the region has a policy of recognising foreign exchange transaction in the functional currency of the Region at the exchange rates as at the date of transactions. However branch (western Region) has recognised foreign exchange revenue pertaining to ONGC by applying the exchange rate of the 1st day of the month to which the revenue pertains. This accounting practice followed by the branch (western Region) is neither in accordance with the Region's Policy nor in adherence to Ind AS 21'The Effects of Changes in Foreign Exchange Rates'. However we are unable to quantify the impact, if any, arising from such erroneous accounting practice on the Ind AS financial statements.	As per practice, the booking of revenue in foreign exchange is converted into Indian rupees as per the rate of exchange as on 1st day of the month for which it pertains to, for booking of revenue in the books of accounts. Further it is to be informed that the invoices are raised in foreign currency and the payment is also made by customer in foreign currency only. Based on the rate of exchange prevailing on the date of realisation of such revenue, the differential revenue arising out of fluctuation in foreign exchange is also accounted in our books of accounts. Further the foreign currency amount outstanding as on 31/03/2022 is converted into Indian Rupees as per the rate of exchange of 31/03/2022 as per our accounting policy. Therefore, there is no Impact on Statement of Profit & Loss. However in future the bills will be accounted as per the guidelines of Ind AS.
20. We draw attention to Note no.32 XXXXVI of the Ind AS Financial Statements which describes the possible effect of uncertainities relating to COVID-19 pandemic on the Company's financial performance as assessed by the management. Helicopter, Operational and Maintenance Expenses as reflecting in Note No. 24 of Profit and Loss Account has declined/reduced for Non-Flying Hours and usage of the Helicopters by the Vendors due to COVID 19 restriction/Lockdown for the period under consideration. There is no significant impact on the Financials during the current financial year as compared to last financial year.	From the Financial Statement it can be seen that Revenue has increased and Losses are reduced from last year

	Our opinion above on the Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of above matter.	
	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 paragraphs 3 and 4 of the Order.	No Comments Required
2.	As required by section 143(3) of the Act, we report that:	
(a)	We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit, *subject to our comments in paragraph 'Basis of Qualified Opinion;*	Been Adequately explained above.
(b)	*Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above,* in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. The audit of the accounts of Corporate Office and Northern Region was carried out by us, whereas audit of Western Region was audited by the respective branch auditors. The report of the branch auditors has been considered by us while preparing our report. *However, we have observed that the Company is using an accounting package that is obsolete and needs to be upgraded/replaced to cater to its current requirements*;	We are in process of upgrading the accounting package
(c)	The report on the accounts of Western Region audited under section 143(8) of the Act by the branch auditors has been sent to us and has been properly dealt with by us in preparing this report;	No Comments Required.
(d)	The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow dealt with by this report are in agreement with the books of account of the Company;	No Comments Required.

(e)	*Except for the effect of the matter described in the Basis for Qualified Opinion paragraph*, in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.	Been Adequately explained above.
(f)	The Company being a government company, provisions of Section 164(2) of the Act in respect of disqualification of Directors is not applicable;	No Comments Required.
(g)	With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**;	Been Adequately explained in Annexure "B".
(h)	With respect to the other matters to be included in the Auditors' Report in accordance with the requirement of Section 197(16) of the Act as amended, the Company being a government company, provision in relation to payment of managerial remuneration as mandated by Section 197 read with Schedule V to the Act is not applicable;	No Comments Required.
(i)	With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:	No Comments Required.
	(i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 32 (II) to the Ind AS financial statements;	
	(ii) The Company did not have any long-term contracts, which may lead to material foreseeable losses. The Company does not deal in derivative contracts.	Company has not entered into derivative contract during the FY 2021-22.
	(iii) There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company. Therefore, the question of delay in transferring such sums does not arise.	No Comments Required.
3.	As required by Section 143 (5) of the Act, we have considered the directions issued by the Comptroller & Auditor General of India, the action taken thereon and its impact on the Ind AS financial statements of the Company in **"Annexure – C"**.	No Comments Required.

Annexure 'A' to the Independent Auditor's Report to the members of Pawan Hans Ltd. on the Ind AS financial statements for the year ended March 31, 2022

Auditors Observations	Board's Reply
(i) (a) (A) In Western Region, the Company has maintained records showing full particulars, including quantitative details and situation of Property, Plant & Equipment in digital medium. In respect of Corporate Office, fixed assets register, as prescribed under the Act has been maintained, however, few instances have been observed where, situation of fixed assets has not been states. In Northern region, the company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.	
(B) According to the information and explanations given to us, the Company has no Intangible Asset and hence the said sub clause is not applicable to the Company	No Comments Required.
(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. During the year end, the fixed assets are physically verified by the Management with the help of an independent outside agency. No physical verification was conducted at Northern Region & its bases including Westland fleet lying at Western Region. As per explanation provided to us, physical verification for Corporate Office and Eastern Region including its bases has been conducted during current financial year and reconciliation between balance as per books and as per physical verification is still under progress. In our opinion, this periodicity of physical verification by the management needs to be strengthened, as helicopter, its major Property, Plant & Equipment including spare engines should be verified on an annual basis having regard to the size of the Company and the nature of its assets. Further, Rotables and repairable of Gross Value of Rs. 5551.00 Lakhs were sent for repairs and were lying with foreign OEMs as at the year-end. Out of these, Rotables of Gross Value of Rs. 1405.79 Lakhs and WDV of Rs 901.00 Lakh have been received back after 31 March, 2022. The Wetserm Region has been unable to obtain confirmation from some OEM for holding Rotables on behalf of the Region amounting to Gross Amount Rs.2,536.53 Lakhs (WDV of Rs.1,685.80 Lakhs).	During the previous year physical verification of Fixed assets Corporate Office/Northern Region/Western Region has been conducted by Independent agency. Reconciliation of Physical Verification report with books of accounts has been done. Physical verification report alongwith shortage & Excess report has already been put up to the BoD for their approval. Rotables and Repairable with gross cost of Rs. 5706.67 Lakhs (March 31, 2021 Rs. 7152.89 Lakhs) and WDV of Rs. 3926.50 Lakhs (March 31, 2021 Rs. 5059.41 Lakhs) are lying with foreign equipment suppliers for repairs as at 31.03.2022. Out of these, Rotables with gross cost of Rs. 1410.78 Lakhs (March 31, 2021 Rs. 833.82 Lakhs) and WDV of Rs 902.45 Lakhs (March 31, 2021 Rs. 623.00 Lakhs) have been received back after 31 March, 2022. Confirmation from concerned parties for remaining Rotables which are still lying with them has been obtained. Efforts are being made to receive the items duly repaired / overhauled by the Original Equipments Manufacturers (OEM).

(c)	The title deeds of immovable properties, as disclosed in Note no. 3 on Property, Plant and Equipment in the Ind AS financial statements, are held in the name of the Company, except for Rohini Heliport, land for which is owned by the Ministry Of Civil Aviation. Further, in respect of Building Residential (JHC) in Western Region, title deeds are not held in the Company's name. The land of JHC is in the name of Airport Authority of India (AAI). The Company had constructed 242 flats out of which 50 flats were given to AAI in lieu of lease rentals for the said land which are partially taken on lease for the period of 25 years. Further in respect of 6 MHADA flats as disclosed in Note No 32 (V) (b) where the possession of the flats is lying with company but title deed of such flats is not registered in the name of company. Below are the details for such flats:	This is the statement of fact.

Description of property	Gross Carrying Value	Held in name of	Whether Promoter, director or their relative or promoter	Period Held Indicate Range	Reason for not being held in the name of company
Residential Flats		MHADA	Not Applicable	1998 – till Date	Due to non-payment of stamp duty

(d)	According to the information and explanations given to us, the Company has not revalued any Property, Plant & Equipment or any Intangible Asset. Accordingly, paragraph 3(i)(d) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company	No comments Required.
(e)	No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2022 for holding any benami property under the benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.	No comments Required.
(ii) (a)	According to the information and explanations given to us, the inventory has been physically verified at reasonable intervals (excluding inventory lying with third parties and material in transit). In Western Region, the inventory has been physically verified by management, however, the reconciliations between balances as per books and as per physical verification report is still under progress. In case of stock of stores and spares at the detachments, the issuances are made from Mumbai and at the year end the closing stock of stores and spares at Western Region is recorded based on physical verification reports submitted by respective detachments.	Physical verification of Inventory was conducted in F Y 2021-22 for all regions. Reconciliation of Physical Verification report with books of accounts has been done. Shortage & Excess on physical verification is accounted for in Western region

	In Northern Region, physical verification of inventory has been done internally by the management and no stock audit has been conducted by third party/independent outside agency. In our opinion and according to the information and explanation given to us, during the physical verification conducted by management with the help of an independent outside agency, discrepancies were noticed between balances as per books and as per physical verification report which are in process of being dealt in the books of accounts. Also, proper internal control system should be placed in inventory movement to eliminate any deviations between book quantity and actual quantity.	
(b)	According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks or financial institution at any point of time during the year under audit. Accordingly, paragraph 3(ii) (b) of the (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company	No Comments Required.
(iii)	According to the information and explanation given to us, the Company has not made any investment, not provided any guarantee or security to companies, firms, limited liability partnership or any other parties during the year. Accordingly, paragraph 3(iii)(a) (b) (c) (d) (e) (f) of the (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;	No Comments Required.
(iv)	According to information and explanation given to us there are no loans, investment, guarantee, and securities given in respect of which provision of section 185 and 186 of companies Act, are not applicable. Accordingly, paragraph 3(iv) of the (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;	No comments required.
(v)	The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder; Accordingly, paragraph 3(v) of the (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;	No Comments Required.

(vi) The Central Government of India has not prescribed maintenance of cost records under subsection (1) of Section 148 of the Act for any of the activities of the Company. Accordingly, paragraph 3(vi) of the (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company	No Comments Required.
(vii)	
(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, value added taxes, Goods & services tax, cess and other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise.	
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, goods & services tax, value added tax and other statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable except stamp duty amounting to Rs. 13.81 lakhs which has not been paid till date.	In case of western region, The Company had purchased 6 nos. of residential flats in May 1998 for the employees from MHADA, Mumbai and though the possession was taken based on the letter of allotment, the Company has on provisional basis provided stamp duty and registration of Rs. 13.81 Lakhs and is subject to final payment on the execution of the appropriate conveyance deed in favour of the society. Some of the societies have gone in litigation against MHADA in Mumbai High Court on the issue of differential pricing. However, the amount of stamp duty and registration cannot be determined at this stage.
(b) According to the information and explanations given to us, there are no dues of income tax, provident fund, employees' state insurance, sales tax, service tax, goods & services tax, value added tax, duty of customs, duty of excise and cess which have not been deposited by the Company with the appropriate authorities on account of any dispute as at March 31, 2022, other than those mentioned below:	The amounts have been considered under contingent liability in Notes to Accounts No.32(II).

Sl. No.	Name of the Statute	Nature of the dues	Amount (Rs. in lakhs)*	Period to which the amount relates	Forum where dispute is pending
1	Delhi Value Added Tax Act, 2004	VAT, Interest & Penalty	11,513.49	FY 2006-07	Appellate Tribunal, VAT, Delhi
2	Delhi Value Added Tax Act, 2004	VAT, Interest & Penalty	11,774.22	FY 2007-08	Appellate Tribunal, VAT, Delhi
3	Delhi Value Added Tax Act, 2004	VAT, Interest & Penalty	14,114.15	FY 2008-09	Appellate Tribunal, VAT, Delhi
4	Delhi Value Added Tax Act, 2004	VAT, Interest & Penalty	14,107.79	FY 2009-10	Appellate Tribunal, VAT, Delhi
5	Finance Act, 1994	Service Tax	532.31 (71.21)	FY 2009-10	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
6	Finance Act, 1994	Service Tax	447.43	FY 2010-11	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
7	Finance Act, 1994	Service Tax	551.39	FY 2011-12	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
8	Finance Act, 1994	Service Tax	274.07 (50.51)	FY 2012-13	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
9	Finance Act, 1994	Service Tax	482.40 (36.57)	FY 2014-15	Customs, Excise and Service Tax Appellate Tribunal, Mumbai

Sl. No.	Name of the Statute	Nature of the dues	Amount (Rs. in lakhs)*	Period to which the amount relates	Forum where dispute is pending
10	Finance Act, 1994	Service Tax	317.44 (5.01)	FY 2015-16	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
11	Finance Act, 1994	Service Tax	354.43 (7.65)	FY 2016-17	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
12	Finance Act, 1994	Service Tax	31.84 (0.34)	FY 2017-18	Adjudicating Authority, CGST, Mumbai West
13	Finance Act, 1994	Service Tax	2,178.22	FY 2014-15 to FY 2016-17	Principal Commissioner, CGST, Guwahati
14	Employee State Insurance Act, 1948	ESIC contribution & Interest	25.30	FY 2012-13 to August 2016	District Court, Saket, New Delhi
15	Income Tax Act, 1961	Disallowance of expenses & Interest	2,997.00 (1,055.04)	AY 1997-98	ITAT, Delhi
16	Income Tax Act, 1961	Disallowance of expenses & Interest	2,975.00 (3,536.36)	AY 1998-99	ITAT, Delhi
17	Income Tax Act, 1961	Disallowance of expenses & Interest	2,650.00 (3,292.78)	AY 1999-00	ITAT, Delhi
18	Income Tax Act, 1961	Disallowance of expenses & Interest	4,742.00 (5,047.84)	AY 2000-01	ITAT, Delhi
19	Income Tax Act, 1961	Disallowance of expenses & Interest	2,556.00 (3,278.93)	AY 2001-02	ITAT, Delhi
20	Income Tax Act, 1961	Disallowance of expenses & Interest	5,829.79	AY 2017-18	CIT (Appeals)

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

(viii)	According to the information and explanations given to us, the Company does not have any transactions not recorded in books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961. Accordingly, paragraph 3(viii) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;	No comments required.
(ix)	(a) The Company has not taken any loans and borrowings from lenders, Accordingly, paragraph 3(ix)(a) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company	No comments required
	(b) The Company has not been declared willful defaulter by any bank or Financial Institution or government or any government authority;	No comments required.
	(c) The Company has not taken any term loans during the year and the loans, Accordingly, paragraph 3(ix)(c) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;	No comments required.
	(d) According to the information given to us, the Company has not raised short-term funds during the year, Accordingly, paragraph 3(ix)(d) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;	No comments required.
	(e) According to information and explanation given to us, Company has not taken any fund from any entity or from any person on account of or to meet the obligations of its subsidiaries, associates or joint ventures and hence paragraph 3(ix)(e) the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;	No comments required.
	(f) According to information and explanation given to us, the Company has not raised loans during the year on the pledge of securities held in its securities, joint ventures or associates companies and hence paragraph 3(ix)(f) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;	No comments required.

(x)	(a)	The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.	No comments required.
	(b)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.	No comments required.
(xi)	(a)	Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of our audit.	No comments required.
	(b)	According to the information and explanations given to us, no report under section (12) of Section 143 of the Companies Act 2013, has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.	No comments required.
	(c)	As represented to us by the management, there are no whistle blower complaints received by the company during the year.	No comments required.
(xii)		To the best of our knowledge and belief and according to the information given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii)(a) (b) (c) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;	No comments required.
(xiii)		According to the information and explanations given to us, and on the basis of our examination of the records, the company has complied with provision of Section 177 and 188 of the Act, wherever applicable, for transactions with related parties and details of related party transactions have been disclosed in Note No 32 XXVII of the Ind AS Financial Statements as required by applicable accounting standards;	No comments required.

(xiv)	(a)	According to the information and explanations given to us the Company, internal audit system need to be strengthened and scope need to be enhanced to ensure in-depth verification of all functional departments controls to make it commensurate with the size and nature of operations of the Company.	Already replied in Emphasis of matter.
	(b)	The reports of internal audits for respective regions have been considered during the course of audit however for Western Region Internal Audit report for quarter ending Jan 2022 to March 2022 has not been received.	Internal Audit Report for Q4 of Western Region was provided to Western Region auditor subsequently.
(xv)		According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;	No Comments required.
(xvi)	(a)	The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.	No Comments required
	(b)	The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.	No Comments required.
	(c)	The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.	No Comments required.
	(d)	According to the information and explanation provided to us during the course of audit, the Group does not have any CICs (Core Investment Company). Accordingly, the requirements of Clause 3(xvi) (d) are not applicable	No Comments required.

(xvii)	The Company has not incurred cash losses during the financial year covered by our audit and not in the immediately preceding financial year;	No Comments required.
(xviii)	There has been no instance of resignation by the statutory auditor under section 140(2) of the companies act 2013 during the year and accordingly paragraph 3(xviii) Accordingly, paragraph 3(x)(a) & (b) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;	No Comments required.
(xix)	On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that 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 Region. 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;	No Comments required.
(xx)	According to information and explanations given to us and based on our examination of the records of the Company, the provisions of Corporate Social Responsibility contained in Section 135 of Companies Act, 2013 are not applicable on the company subject to Note No. 32 XVII of the Financial Statements.	No Comments required.

Annexure 'B' to the Independent Auditor's Report to the members of Pawan Hans Ltd. on the Ind AS financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

Statutory Auditor's Comments	Board's Reply
According to the information and explanations given to us and based on our audit, *the Company does not have documentation of comprehensive model for streamlining internal control including internal control over financial reporting incorporating RCM and gap tracking with a description of the objective, process and risk thereof. On our test check and review of adequacy and effectiveness of system of controls in place, gaps have been identified both in adequacy of design and effectiveness in areas of Fixed Assets Management, Materials Management, Bidding process, Accounting of Revenue, Statutory Compliances, Human Resources Management, Operations and Information Technology General Controls. Also, at bases, consolidated entries of expenses are made i.e. there is delay in accounting of expenses due to which liability of statutory dues like TDS and GST is impacted. Delayed/ non-reconciliation of cash collected from ticket sales has been observed for RCS operations and Shree Kedarnath Yatra in earlier years. Due to older version of IT software, it cannot generate GST Returns and financials as per Ind AS, which has to be prepared manually. IT Software need to be updated for strengthening the overall Operating Effectiveness of Internal Controls and smooth processing of information produced by the entity on the basis of defined controls. Few instances have been observed where, DOP has been breached and approval of competent authority was not obtained or obtained post facto. On our test check, we also observed few instances of under/over invoicing and non-confirmation and reconciliation of balance of major Trade Receivables and creditors, offline/manual note sheets circulated/approved circumventing e-file system of approval, which is in vogue. As there is freeze on recruitment, company has employed contractual employees and consultants regularly over a considerable period of time. Internal control on legal cases and quantification of contingent liabilities needs to be strengthened. Further, as reported in note no. XXI, few instances of fraud on the company have been detected in previous years, which warrants detailed analysis to identify root cause, so that such instances can be eliminated or minimized. Conflict of interests in respect of few employees and non-rotation of key employees can abet fraud. We have also observed, lack of succession planning, non-standardization of contracts of customers, rotables lying with foreign OEMs for more than 1 year, balances outstanding to/ from parties for more than 3 years, non-reconciliation of flying hours per pilot with overall flying and billing hours. MIS system needs to be strengthened*	The company has in place Delegation of Authority Matrix, Material Manual, HR Manual, Accounts Manual. There is compliance with DGCA rules and regulations besides being subject to Internal Audit, Vigilance Oversight and CAG audit other than the statutory audit Companies Act. Further there is effective system of documentation, review and supervision of transactions. Control exists at transactions level, collation/aggregation level and presentation/reporting level. Fixed Asset Management, Procurement Process, Accounting for Revenue, Statutory Compliances, Treasury Management, Human Resource Management and Information Technology control exists and are functioning. Liability of TDS, GST, Service tax have always been met diligently by the company. We are in process of updating our TCS software so that all GST related reports can be generated from system itself. *In one instance only cash paid for freight/ courier charges above Rs. 10000/- only at Gadchiroli base. As per Income tax laws payment more than Rs.10,000/- is allowed in remote areas. As tickets sale at base of RCS operation and Shree Kedarnath ji Yatra 2019 amount deposit in bank account at base same also booked and reconciliation also commercial deptt. otherwise on line booking amount directly credit into account.* There is a full- fledged HR department in PHL and in all the regions, HR department is functioning professionally. However due to the decision of Govt. of India for disinvestment of PHL in October 2016, the vacant positions in HR deptt. could not be filled up due to the restriction imposed by MoCA. However, the deptt. has been functioning successfully and its effectiveness can be assessed from the following performance indicators : i) All recruitment actions have been completed within due time in all strategic areas. ii) The attrition rate in all categories of employees including the licence categories of employees like Pilots, AME and Technicians are negligible. iii) There has been nil loss of man-hours and no industrial unrest, and the Industrial relations have been very cordial. iv) All disciplinary matters have been duly closed except two cases which are in advance stage of closing.

Statutory Auditor's Comments	Board's Reply

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

vi) There are few pending registered Employee Grievances

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

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

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

For & on behalf of the
Board of Directors

Sd/-
(Sanjeev Razdan)
Chairman & Managing Director

Date : 29th December, 2022
Place : Noida

Annexure-D

VAP & ASSOCIATES
Company Secretaries

387, First Floor, Shakti Khand-3
Indirapuram, Ghaziabad-201010 UP
Tel: +91-0120-4272409
M:+91-9910091070, 9711670085
Email: vapassociatespcs@gmail.com

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

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

To
The Members,
Pawan Hans Limited

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

A. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

B. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

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

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent applicable to the Company;

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

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

(vi) Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010 issued by Department of Public Enterprises ('DPE Guidelines'*)*.

(vii) We further report that, having regards to the compliance system prevailing in the Company, on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has generally complied with the specifically applicable laws to the Company as identified by the Management, including the Aircraft Act, 1934 and the Aircraft Rules, 1937, etc., to the extent of their applicability to company.

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

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

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

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

(i) *As per Section 149 read with Companies (Appointment and Qualification of Directors) Rules, 2014 the Company shall have at least two independent directors, however, there was only one independent Director on the Board of the Company till 18.01.2022, thereafter two Independent Directors were appointed on the Board of the Company on 19.01.2022 and 01.02.2022 during the Audit period.*

(ii) *Due to pending appointment of Independent Director(s) on the Board of the Company there was improper composition of Audit Committee and Nomination & Remuneration Committee during the Audit period and the respective requirements of Sections 177 and 178 of the Companies Act, 2013 with respect to Independent Directors, and has also led to deviation with other allied requirements such as separate Meeting of independent Directors etc.*

(iii) *Related to the DPE Guidelines:*

a) *Number of Nominee Directors appointed by the Government shall be restricted to a maximum of two.The composition of the Board was not in compliance with the provisions of Clause 3.1.4 of DPE Guidelines till 31.01.2022 during the Audit period, according to which at least one-third of the Board Members should be Independent Directors.*

b) *Two-thirds of the members of audit committee shall be Independent Directors and due to absence of Independent Directors on the Board, quorum of Audit Committee was not in compliance with the provisions of DPE Guidelines.*

c) *Time gap between any two Board Meetings should not be more than three months. However, on perusal of records of the Company, we observed that the time gap between Board Meetings dated 18.03.2021 and 23.07.2021 is exceeding 3 (three) months.*The Ministry of Corporate Affairs vide circular number 08/2021 has relaxed the provisions relating to gap between two meetings due to COVID-19 Pandemic to 180 days.

d) *The Board has not reviewed compliance report of all laws applicable to the Company pursuant to the DPE Guidelines.*

E. We further report that

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors *except as mentioned in para D regarding appointment of Independent Director(s) on the Board of the Company*. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

For VAP & Associates
Company Secretaries
FRN: S2014UP280200

Sd/-
Parul Jain
Proprietor
M. No. F8323
CP No. 13901
UDIN: F008323D002829812

Place: Ghaziabad
Date: 29.12.2022

Annexure – 'A'

To
The Members,
Pawan Hans Limited
Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial record. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.
4. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the companyas well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
6. The compliance by the Company of applicable financial laws such as direct and indirect tax laws has not been reviewed in this Audit since the same have been subject to review by statutory auditors and other designated professionals and the contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/ to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
7. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
8. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

For VAP & Associates
Company Secretaries
FRN: S2014UP280200

Sd/-
Parul Jain
Proprietor
M. No. F8323
CP No. 13901
UDIN: F008323D002829812

Place: Ghaziabad
Date: 29.12.2022

Reply by the Board on observations made by the Secretarial Auditor in their Audit Report : 2021-22

Observation (i) & (ii):

(i) *As per Section 149 read with Companies (Appointment and Qualification of Directors) Rules, 2014 the Company shall have at least two independent directors, however, there was only one independent Director on the Board of the Company till 18.01.2022, thereafter two Independent Directors were appointed on the Board of the Company on 19.01.2022 and 01.02.2022 during the Audit period.*

(ii) *Due to pending appointment of Independent Director(s) on the Board of the Company there was improper composition of Audit Committee and Nomination & Remuneration Committee during the Audit period and the respective requirements of Sections 177 and 178 of the Companies Act, 2013 with respect to Independent Directors and has also led to deviation with other allied requirements such as separate Meeting of independent Directors etc.*

Reply to Observation (i) & (ii):

Appointment of Independent Directors of the Company is done by Ministry of Civil Aviation, the Administrative Ministry. Issue of appointment of Independent Directors was taken up with the Ministry of Civil Aviation and the Ministry after following due process appointed two more Independent Directors in the month of January, 2022. After 1.2.2022, the Company is in compliance of the observations mentioned above.

Observations related to DPE Guidelines:

a) Number of Nominee Directors appointed by the Government shall be restricted to a maximum of two.The composition of the Board was not in compliance with the provisions of Clause 3.1.4 of DPE Guidelines till 31.01.2022 during the Audit period, according to which at least one-third of the Board Members should be Independent Directors.

b) Two-thirds of the members of audit committee shall be Independent Directors and due to absence of Independent Directors on the Board, quorum of Audit Committee was not in compliance with the provisions of DPE Guidelines.

c) Time gap between any two Board Meetings should not be more than three months. However, on perusal of records of the Company, we observed that the time gap between Board Meetings dated 18.03.2021 and 23.07.2021 is exceeding 3 (three) months. The Ministry of Corporate Affairs vide circular number 08/2021 has relaxed the provisions relating to gap between two meetings due to COVID-19 Pandemic to 180 days.

d) The Board has not reviewed compliance report of all laws applicable to the Company pursuant to the DPE Guidelines.

Reply

(a) The Board of Directors of the Company is constituted by the Administrative Ministry i.e. the Ministry of Civil Aviation. Issue of proper composition of the Board of Directors as per DPE Guidelines has been taken up with the Ministry of Civil Aviation.

(b) After the reconstitution of Audit Committee pursuant to appointment of two more Independent Directors, the Company has complied this observation.

(c) No comment required.

(d) Noted for future compliance.

For and on behalf of the Board

Sd/-
(Sanjeev Razdan)
Chairman & Managing Director

Date: 29th December, 2022
Place: Noida

ANNEXURE-'E' TO THE BOARD'S REPORT
FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

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

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

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

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

Sl. no.	(a) Name(s) of the related party and nature of relationship		(b) Nature of contracts/arrangements/ transactions	(c) Duration of the contracts/arrangements/ transactions	(d) Salient terms of the contracts or		(e) Date(s) of approval by the Board, if any.	(f) Amount paid as advances, if any.
	Name	Relationship			Salient terms	Transaction value (Rs. In Lakhs)		
1	Oil & Natural Gas Corporation Ltd.	Associate	Revenue on account of helicopter services	For F.Y 2021-22	Contract through ICB	12779.35		
2	Oil & Natural Gas Corporation Ltd.	Associate	Forex gain/(Loss) on providing services	For F.Y 2021-22	Actual	38.87		
3	Oil & Natural Gas Corporation Ltd.	Associate	LD charges by ONGC	For F.Y 2021-22	Actual	291.56		

Annexure-F

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT:2021-22

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

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

It shall apply to all CSR Project/Programmes undertaken by PHL as per liberal interpretation of activities listed in Schedule-VII of the Companies Act, 2013 within the geographical limits of the India alone, preferably towards the benefits of marginalized, disadvantaged, poor and deprived sections of the community and the environment.

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

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

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

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

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

v. Specification of annual financial allocation;

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

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

viii. Preparation and signing of agreement with Implementation Agencies;

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

x. Robust, periodic review & monitoring;

xi. Mandatory Reporting

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

The website of PHL, www.pawanhans.co.in, has the link to the CSR and SD activities with reference to other documents such as Government Gazette notifications of 28.02.2014, 06.08.2014, 24.10.2014 and 23.05.2016, DPE O&M dated 21.10.2014, Ministry of Corporate Affairs General Circular No. 21/2014 dated 28.06.2014, 01/2016 dated 12.01.2016, 05/2016 dated 16.05.2016 and DPE OM No.CSR-08/002/2018-Dir(CSR) dated 10.12.2018.

2. The Composition of the CSR Committee

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

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

ii) Shri Naveen Kumar Soni, Independent Director, Member

iii) Smt. Ami Manish Parikh, Independent Director, Member

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

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

(Rupees in Lakhs)

Particulars	2018-19	2019-20	2020-21
Profit as per Sec 198	(-) 8790.70	(-) 10996.96	(-) 1876.92
Average profit u/s 135 for the last three years	(-) 7221.53 (21664.58 / 3)		

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

No CSR expenditure has been prescribed for the financial year 2021-22 as average profit u/s 135 for the last three years is negative in view of status at table 3 above.

5. Details of CSR spent during the financial year.

Due to negative average profit for the last three years, no amount was spent on CSR activities during the financial year 2021-22.

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

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

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

Not applicable as the Company was not required to spend any amount on CSR activities during the financial year 2021-22.

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

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

Sd/-
Sanjeev Razdan
Chairman & Managing Director, PHL

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

ADDENDUM TO BOARD REPORT

BOARD'S REPLY TO COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE FINANCIAL STATEMENTS OF THE COMPANY FOR F.Y. 2021-22

C&AG Comments	Board's Replies
A. Comment on Profitability **Statement of Profit and Loss Other Income Rs 2708.37 Lakh (Note No.23)** The other income is understated due to non-booking of lay-up refund approved (March 2022) by the insurance company amounting to Rs 236.47 lakh for the period 01 April 2021 to 31 July 2021. Non-booking of the same has resulted in understatement of Other Income and Other Financial Assets (Insurance Claim receivable) by Rs 236.47 lakh, consequently loss is also overstated to the same extent.	The Lay-up refund for balance policy period from 01.04.2021 to 31.07.2021 could not be booked in books of accounts as on 31.03.2022 due to oversight as the said claim was related to previous policy period August, 2020 to July, 2021. However, the same has been rectified/ booked in Financial Year 2022-23.
B. Comments on Financial Position Non-Current Assets **Capital work in Progress Rs 928.92 lakh (note 3.1)** The above includes an amount of Rs.24.95 lakh incurred towards water proofing treatment of building roofs at PHL, Juhu Aerodrome and Mumbai. As the work of repair and maintenance was revenue in the nature, the expenditure on the same should have been booked under Other Expenses instead of Capital work in progress. This has resulted in overstatement of Capital work in Progress and understatement of other expenses by Rs.24.95 lakhs and consequently, loss is also understated to the same extent.	Noted. The rectification entry will be made in this regard by treating this expense as prior period item in F.Y. 2022-23.

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C. Comment on Cash Flow Statement Notes no.3 below the Cash Flow Statement.

The above note is deficient as the margin money included in the cash and cash equivalent amount to Rs.4142.51 lakh instead of Rs 4483.66 lakh as disclosed in the above note.

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As per audited balance sheet total FDRs as on 31/03/2022 was Rs.5200.83 lakh (as per Note No.11.2) which includes Margin money of Rs.4483.66 Lakhs.

Following are the detail of margin money as on 31/03/2022 against BGs/LCs:-

Corp. office/ Northern Region - Rs. 3871.56 Lakhs
Western Region - Rs. 270.95 Lakhs
Total Margin Money - Rs. 4142.51 Lakhs
Total FDRs - Rs. 5200.83 Lakhs
Balance Free FDRs - Rs. 1058.32 Lakhs

Due to oversight, FDRs of Western Region amounting to Rs.612.10 Lakhs were considered under lien instead of actual amount of FDRs of Rs.270.95 Lakhs as mentioned above. Accordingly, Margin money was considered excess by Rs.341.15 Lakhs and free FDRs less by same amount. This has no financial impact on company's financials.

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D. Comments on Independent Auditor's Report.

1. Annexure 'A' to Independent Auditor's Report.

i. A reference is invited to para (i) (a) (B) of Annexure-A to the Independent Auditors Report, wherein in compliance to disclosure requirement as per Companies Auditor's Report Order 2020 relating to intangible assets, it has been stated that the Company has no intangible assets and hence the said sub clause is not applicable to the Company. The above note is deficient as the company is

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As brought out by C&AG, PHL is using tailor-made Integrated Information System Package (IISP) developed by TCS Limited.

As per Statutory Auditor, the Written Down Value of Intangible Assets (as mentioned in Note no.4) is NIL which means the company does not have any Intangible Assets, therefore, the clause of CARO, 2020 related to Intangible Asset is not applicable to the Company. It is matter of interpretation only but has no financial impact on the financial statements of the company.

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using an Integrated Information System Package developed by M/s TCS Ltd and same has also been disclosed under Note No 4 (Intangible Asset) forming part of the financial statements.	Note No. 4 is as follows: **Particulars** — **Computer Software** (Rs. In Lakhs) Gross carrying value as at 1st April, 2020 — 207.30 Additions / (Deletion / Adjustment) — - Gross carrying value as at 31 March, 2021 — 207.30 Additions / (Deletion / Adjustment) — - **Gross carrying value as at 31 March, 2022** — **207.30** **Amortisation & Impairment** Accumulated depreciation as at 31 March, 2020 — 207.30 Amortisation — - Impairment — - Accumulated depreciation as at 31 March, 2021 — 207.30 Amortisation — - Impairment — - **Accumulated depreciation as at 31 March, 2022** — **207.30** **Net book value At 31 March 2022** — **-**
i. Para (vii) (b) of annexure-A to the auditor's report disclose disputed statutory dues amounting to Rs 2997.00 lakh for AY 1997-98 pending at Income Tax Appellate Tribunal (ITAT), Delhi. This has rendered the auditor report deficient as the said case has been decided in favour of the Company in August 2021 and is not pending with ITAT Delhi as on 31 March 2022.	Statutory Auditors have reviewed the comment of C&AG and stated that due to typographical error same was left to be removed from the said Para (vii)(b) of the report. There is no financial impact of this on financial statement of the Company.

Note No. 4:

Particulars	Computer Software
	(Rs. In Lakhs)
Gross carrying value as at 1st April, 2020	207.30
Additions / (Deletion / Adjustment)	-
Gross carrying value as at 31 March, 2021	207.30
Additions / (Deletion / Adjustment)	-
Gross carrying value as at 31 March, 2022	**207.30**
Amortisation & Impairment	
Accumulated depreciation as at 31 March, 2020	207.30
Amortisation	-
Impairment	-
Accumulated depreciation as at 31 March, 2021	207.30
Amortisation	-
Impairment	-
Accumulated depreciation as at 31 March, 2022	**207.30**
Net book value At 31 March 2022	**-**

2. Annexure 'C' to Independent Auditor's Report. In compliance to directions under section 143 (5) of Companies Act, 2013 issued by the Comptroller & Auditor General of India, the statutory auditor has reported that all the accounting transactions of the company are processed region-wise through separate IT system. The above disclosure is deficient as the company has centralized integrated system for accounting.	As mentioned by the CAG, the company has centralized integrated system of application and database on Cloud server. Further any record /data of region/Corporate Office can be accessed region wise as well as consolidated. The Trial balance can be generated region wise as well as consolidated.

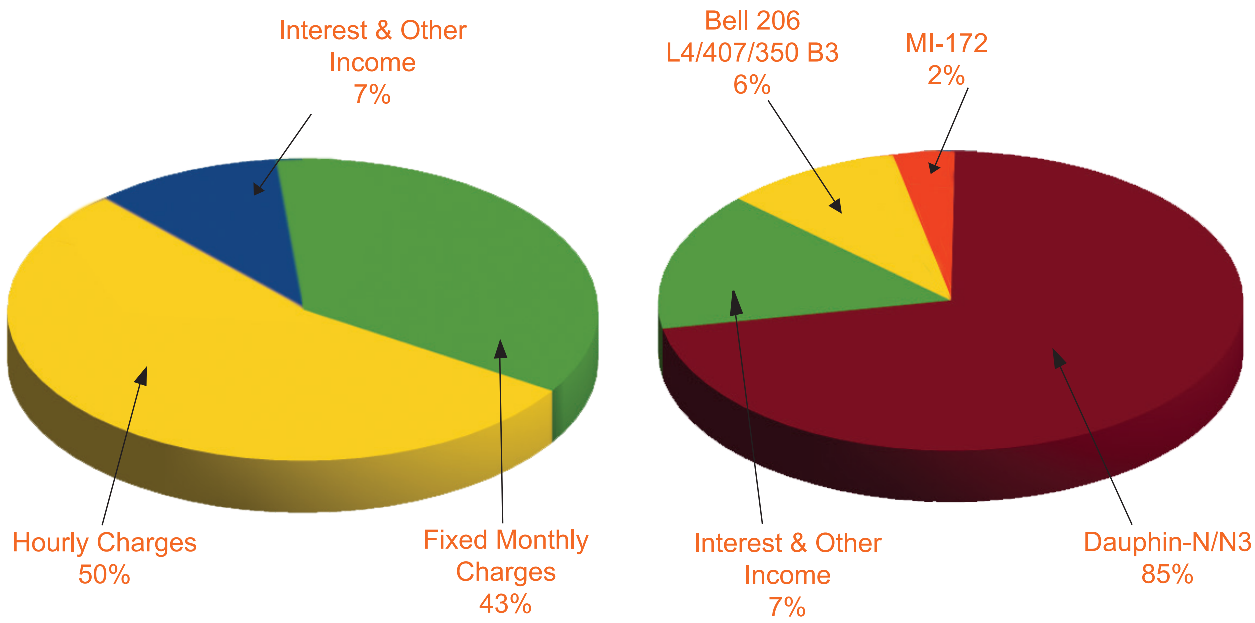
For and on behalf of the
Board of Directors

Sd/-
(Sanjeev Razdan)
Chairman & Managing Director

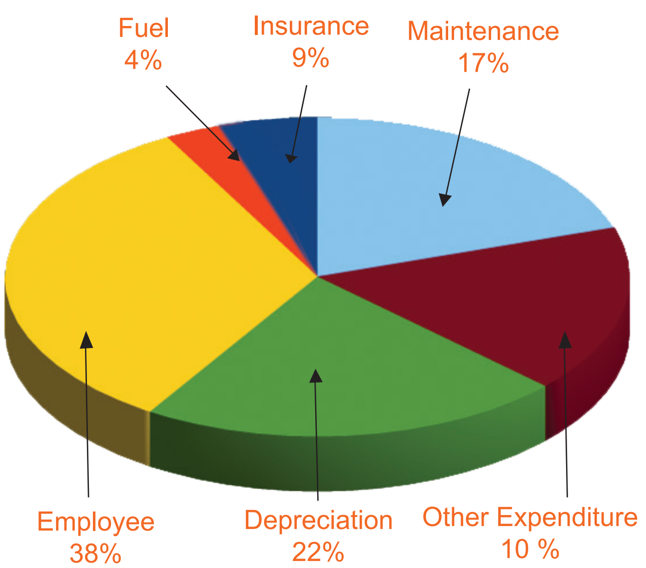
Date : 18.01.2023
Place : Noida

FINANCIAL HIGHLIGHTS
For 2021-22

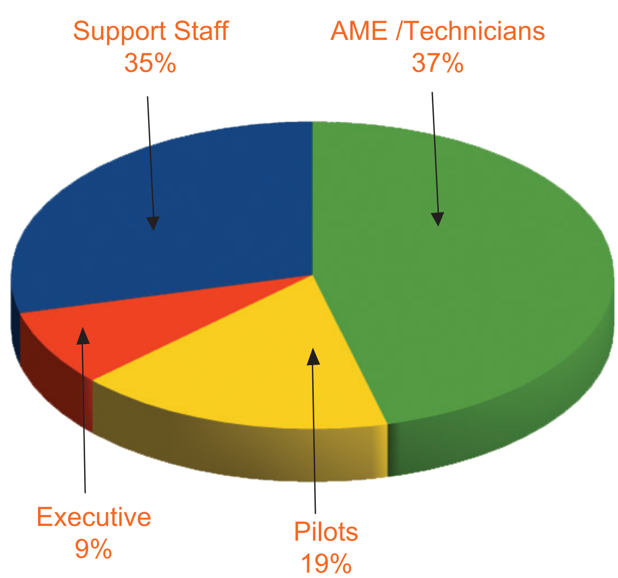
Source of Income



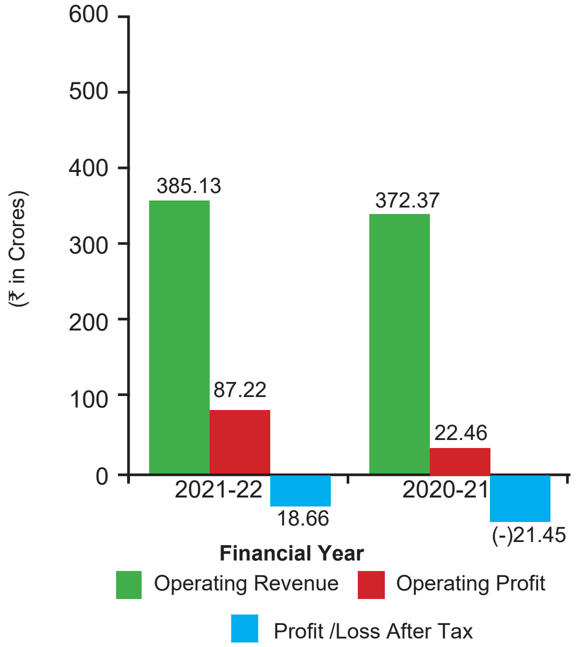
Cost Structure



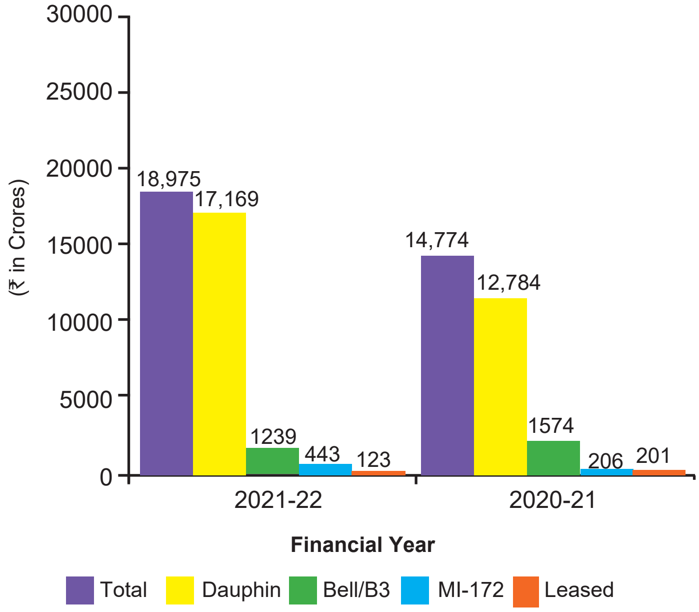
Manpower Profile



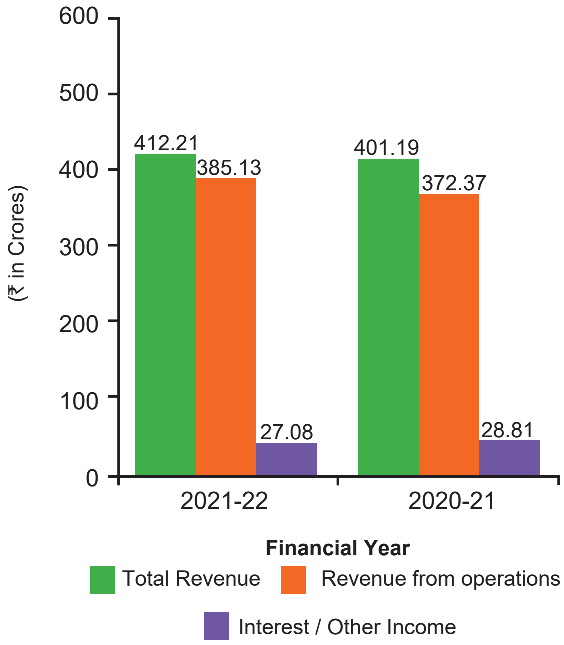
Revenue from Operations, Operating Profit and Net Profit



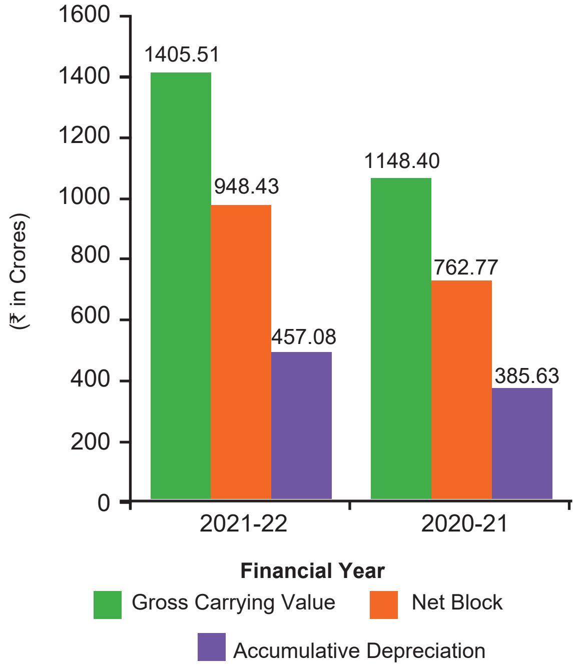
Revenue Flying Hours



Revenue



Property Plant and Equipment



Pawan Hans Limited

Audited Summarised Acounts 2017-18 to 2021-22

₹/crores

Particulars	Ratio	2021-22 (IndAs)	2020-21 (IndAs)	2019-20 (IndAs)	2018-19 (IndAs)	2017-18 (IndAs)
Resources						
Net Worth		97000.66	98865.92	101011.02	101781.98	108163.26
Non-Current Liabilities						
- Loan Funds- Secured Loans		-	67.60	853.10	1,323.52	569.54
- Other Long -term Liabilities		18164.21	755.89	873.72	33.57	74.02
- Long Term Provisions		4391.56	4302.90	3913.05	3470.57	3057.66
- Deferred Tax Liabilities		8933.98	8073.84	9329.72	17280.79	20245.73
Total		**128490.41**	**112066.15**	**115980.61**	**123890.43**	**132110.21**
Utilisation of Resources						
Fixed Asset		140550.92	114839.76	109512.59	105064.68	102733.52
Less: Depreciation		45707.8	38563.14	32861.08	30355.71	23321.20
Net Fixed Assets		**94843.12**	**76276.62**	**76651.51**	**74708.97**	**79412.32**
Capital Work in Progress		928.92	32.82	12.77	688.73	2158.57
Long-Term Loans & Advances		93.08	100.83	121.43	542.35	600.17
Other Non-Current Assets		7076.54	6500.51	6717.09	7729.22	10380.48
Other Financial Assets		514.81	520.52	547.28	237.99	255.21
Net Working Capital		25033.94	28634.85	31930.53	38605.91	40656.47
		128490.41	**112066.15**	**115980.61**	**122513.17**	**133463.22**
Capital Employed		**120805.98**	**104944.29**	**108594.81**	**114003.61**	**122227.36**
Earnings						
Revenue from Operations		38512.77	37237.48	34593.16	38115.58	39540.74
Interest /Other income		2708.37	2881.32	3081.68	3284.00	6260.80
Total		**41221.14**	**40118.80**	**37674.84**	**41399.58**	**45801.54**
Outgoings						
Helicopter Operational & Maintenance Expenses		12395.07	13031.46	14872.99	16646.07	11846.79
Employee Benefits Expenses		15829.01	16748.39	18016.27	17190.1	17375.7
Financial Costs		545.38	195.69	284.60	141.62	201.17
Depreciation and Amortization Expenses		9338.07	6599.2	7261.69	7583.57	8479.05
Other Expenses		3541.32	5788.78	5615.61	9113.78	6725.77
Total		**41648.85**	**42363.52**	**46051.16**	**50675.14**	**44628.48**
Profit for the year before Extraordinary		(427.71)	(2,244.72)	(8,376.32)	(9,275.56)	1173.06
Exceptional Items		-	-	-		-
Profit before tax		**(427.71)**	**(2,244.72)**	**(8,376.32)**	**(9,275.56)**	**1173.06**
Prov.for Taxation		-	90.00	-	-	3350.32
Less: MAT Credit Availed		-	-	-	-	(2,784.06)
Prov. For tax Previous Yrs		-	-	191.21	(10.26)	(3.98)
Deferred Tax Liability		885.14	(1,074.26)	(7,721.26)	(2,906.31)	(1,318.71)
Other Comprehensive income		(55.13)	(400.53)	(506.73)	(129.27)	93.52
Profit/(Loss) from discountinued operation		(498.27)	(484.12)	(499.93)	(561.23)	-
Net profit after tax		**(1,866.25)**	**(2,145.11)**	**(1,852.93)**	**(7,049.49)**	**2,023.01**
Significant Ratios						
	Net Profit/(Loss)					
a) Net profit Ratio	-------------------	-4.85%	-5.76%	-5.36%	-18.50%	5.12%
	Total Revenue					
	Net Profit/(Loss)					
b) Return on Investment	-------------------	-1.54%	-2.04%	-1.71%	-6.18%	1.66%
	Cap.Employed					
	Net Profit/(Loss)					
Return on Net Worth	--------------------	-1.92%	-2.19%	-1.83%	-6.93%	1.87%
	Net Worth					
	Operational debts					
Debt Collection Pd.(months)	------------------------	5.98	5.58	5.71	5.31	4.46
	Avg monthy Op.Rev.					
	Year & Inventory					
Inventory Turnover (months)	------------------------	1.94	1.59	1.77	1.56	1.41
	Avg monthy Op.Rev.					
Current Ratio	C.A.:C.L	2.14	2.34	2.76	3.11	2.93
Debt Equit Ratio	Debts/Equity	-	0.00	0.02	0.02	0.01
	Debts/Net Worth	-	0.00	0.01	0.01	0.01

S. S. PERIWAL & CO.
CHARTERED ACCOUNTANTS

Independent Auditor's Report

Independent Auditor's Report

To The Members of Pawan Hans Limited

Report on the Audit of the Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying Ind AS financial statements of **Pawan Hans Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements") in which are included the returns for the year ended on that date audited by the Branch Auditor appointed by the Comptroller and Auditor General of India for the Western Region located at Mumbai.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion section of our report*, the aforesaid Ind AS financial statements gives the information required by the Act, in the manner so required and gives a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and the loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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

Basis for Qualified Opinion

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

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

3. *During the FY 2019-20, Company has provided helicopters on charter business to a customer, estimated revenue for the period of flying was to be received in advance. Neither has the amount been received in advance nor approval from competent authority waiving receipt of advance has been provided to us. We have also observed excess billing in contravention of the agreement, which has been flagged by the customer and accepted by the Marketing Department. Out of total amount due from the customer aggregating*

to Rs 436.79 lakhs, confirmation received from the customer amounting to Rs 252.30 Lakhs only. The company has issued a credit note amounting to Rs 101.71 Lakhs & Rs. 76.87 lakhs in F Y 2020-21 and FY 2021-22 respectively to customer. Balance amounting of Rs. 5.91 Lakh neither received subsequently nor any confirmation is received from the customer. hence, its impact on the Ind AS financial statements cannot be quantified.

4. *During the FY 2019-20, NTPC helicopter was provided to a customer for charter business and credit @ 91.5% has been passed on to the former. As stated in point no. 3, the customer has disputed dues for days when the helicopter was on standby, which needs to be recovered from NTPC amounting to Rs. 46.45 lakhs. This has resulted in increase in Revenue by Rs. 4.32 lakhs and decrease in Loss from Continued Operations for the year by the aforesaid amount. No further adjustments/reversal has been made in the books of account of account the current financial year.*

5. *The company has accounted for Unbilled Revenue of Rs. 1,078.67 lakhs during FY 2019-20 in respect of a customer on account of foreign exchange fluctuations for the period 2015-2020, which was wrongly passed to the customer in contravention of the agreements.* ***Aforesaid amounts has been billed subsequently, amount whereof has neither been received nor confirmed by the customer.*** *Further, Allowance for Expected Credit Loss (ECL) on Contract Assets of Rs. 812.44 lakhs has been accounted for against unbilled revenue as at the year-end. This has resulted in increase in Revenue and Contract assets by Rs. 1,078.67 lakhs, increase in Allowance for Expected Credit Loss (ECL) on Contract Assets by Rs. 812.44 lakhs and decrease in Loss from Continued Operations for the year by Rs. 266.23 lakhs for FY 2019-2020. The company has provided for Allowance for Expected Credit Loss (ECL) amounting to Rs 135.06 Lakh in FY 2020-21. The Company has not recovered any amount of the Billed Revenue of Rs. 1,078.67 lakhs from the customer during the year.*

6. *Non-provision of Liquidated damages charged by one customer as confirmed by the Marketing department. Amount due from the customer is Rs. 462.03 lakhs as at the year-end,* ***which has neither been received subsequently nor confirmed by the customer,*** *hence, its impact on the Ind AS financial statements cannot be quantified. However, Liquidated damages amounting to NIL (F.Y 2020-21 Rs. 109.99 lakhs) have been reversed/charged for which no documents or explanations has been provided to us.*

7. *The company has got actuarial valuation of gratuity of its all employees done by an actuary as at the year end, including for contractual employees e.g. Base assistants, helpers etc. working at different bases of Northern Region and Associate helicopter pilots hired by the company up to FY 2021-22 and contractual employees hired during the year. However, we are unable to compare the no. of employees with actuarial valuation report due to non-availability of payroll sheet/data of the employees of the Company. Impact, if any, on the Ind AS financial statements cannot be quantified.*

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

9. *The company has used carrying value on the date of transition i.e. April 1, 2015 as deemed cost of Property, Plant and Equipment. The company has considered Embedded maintenance of Rs. 40 lakhs for each Dauphin N3 helicopter and Rs. 60 lakhs for each Dauphin N helicopter. Basis of such allocation could not be justified and hence, its impact on the Ind AS financial statements cannot be quantified.*

10. Branch Auditor in western region has observed that The Company and Administration of Daman & Diu had Entered into a Memorandum of Understanding (MOU) dated 29th September 2017 to Lease One Dauphin SA 365N Helicopter for a period of 3 Years from the date of Signing. During the financial year 2021-2022, the Company had provided Dauphin SA 365N3 Helicopter instead of Dauphin SA 365N Helicopter to Administration of Daman & Diu which has significant higher Fixed Monthly Changes and Hourly Flying Charges than that of Dauphin SA 365N Helicopter. If the Dauphin SA 365N3 Helicopter was deployed to other Customers, it would have fetched Significant higher revenue than the current agreement. The Management is of the view that Dauphin SA 365N Helicopter could not be provided due to the non-Availability of the Helicopter during the financial year ended 31st March,2022. The Non-Availability of Dauphin SA 365N Helicopter has resulted into revenue Leakage Amounting to Rs. 6,43,89,528.

11. A. Branch Auditor in western region has observed that The Company's Loans and Advances received (Liabilities) amounting to Rs. 5,60,503 and Trade payable amounting to Rs. 36,07,269 are outstanding for more than 3 years. Payments have not been made to the parties and no confirmations have been received. This has resulted into overstatement of Liabilities and understatement of profit to the extent of Rs. 41,67,772.

B. Branch Auditor in western region has observed that The Company's Trade Payables includes trade payables having debit balance amounting to Rs. 3,79,781 which are outstanding for more than 3 years for which no provision has been made by the company and no confirmation have been received. This has resulted into overstatement of Assets and overstatement of profit to the extent of Rs. 3,79,781.

C. i) In Northern Region, as per bill wise analysis of Debts recoverable and outstanding, it has been noticed that bills amounting to Rs. 2534.22 Lakhs (March 31, 2021. Rs. 2005.53 Lakhs) are outstanding mainly from outside parties except Central Govt./State Govt/Union Territories, out of which Rs. 519.93 Lakhs (March 31, 2021 Rs. 509.80 Lakhs) is outstanding for more than three years.

ii) Debts recoverable and outstanding Rs. 11683.66 Lakhs (March 31, 2021 Rs. 11289.51 Lakhs) are outstanding mainly from Central Govt./State Govt/Union Territories out of which Rs. 2124.19 Lakhs (March 31, 2021 Rs. 1863.72 Lakhs) is outstanding for more than seven years.

iii) A provision of Rs. 6251.42 Lakhs (March 31, 2021. Rs. 6599.49 Lakhs) of is carried in the books based on lifetime expected credit loss as worked out as at year end. The outstanding bills and bills partly paid are being followed up and the management is of the view that most of the old dues from Central Govt./ State Govt./ Union Territories will be recovered in the near future.

12. a) Management is in the process of reconciling figures of Services rendered and services availed/purchases made incorporated in the respective returns i.e. GSTR-1, GSTR-3B, GSTR-7 with those appearing in the book of accounts and services availed/purchases shown in GSTR-2A with books of accounts.

Particulars	***Northern region***	***Corporate Region***
Turnover as per Financials (excluding other income)	*13,211.39 Lakh*	*Nil*
GSTR3B	*14,498.79 Lakh*	*2.85 Lakh*
GSTR 1	*14,494.55 Lakh*	*-566.64 Lakh*

b) Branch Auditor in Western Region Observed, in respect of GST, the *company is in the process of reconciling inputs availed with GSTR 2A. Further during the course of audit certain instances have been observed where E-invoices of Revenue were raised in financial year 2022-23 which were pertaining to financial year 2021-22 and payment of GST liability for the same has been made in financial year 2022-23 with the authorities This could potentially result in levy of interest and other penal provisions of statutes for the non-compliance.*

Due to same we are unable to comment on the actual /correct revenue booked in the books of accounts and GST Returns which may effect the Revenue of the company and impact, if any, on the Ind AS financial Statements.

13. i) *Management is in the process of reconciling figures of TDS Deducted and Deposited on Expenses/Purchases booked in the Profit & Loss Account/ Books of accounts with TDS Returns filed with the Income Tax Authorities. This could potentially result in levy of interest and other penal provisions of statutes for the non-compliance of Income Tax Act 1961.*

    ii) *Branch Auditor in western region has observed that The Company has not deducted Tax Deducted at Source (TDS) for provision of expenses made in the books of accounts and few instances were noticed where there is a delay in accounting of expenses which has further resulted into delay in depositing the TDS liability with the Authorities. Also, the company has deducted TDS on payment basis which is not in line with the provisions of Income Tax Act,1961. This could potentially result in levy of interest and other penal provisions of statutes for the non-compliance Income Tax Act 1961.*

14. *It was observed that TDS/TCS Recoverable has been under booked amounting to Rs. 6,02,510. However, as per the explanation provided by management, the balance amount of Rs. 6,02,502 will be claimed while filing the ITR for the FY 2021-22 and the effect of entries will be taken in FY 2022-23 keeping in view of closing of entries in current year. Hence, its impact on the Ind AS financial statements cannot be quantified.*

15. *As stated in Note No.* 32 XXXIX (A) *regarding the Ageing of Trade Receivables/ Sundry Debtors, Note No.32* XXXIX *(B) of Trade Payables/ Sundry Creditors and Note No. 32 XXIX we have not received and verified any basis of such age wise bifurcation/ratio analysis and relied upon the same as provided to us.*

16. *Reference is invited to Basis for Qualified Opinion paragraph, wherein clauses 1 to 3 and 6 to 15 either have no effect on the Ind AS financial statements or their impact cannot be quantified. Clause nos. 4,& 5 will result in increase in "Revenue" by Rs. 1082.99 lakhs,, increase in "Contract Assets" by Rs. 812.44 lakhs, decrease in "Loss from continued operations" for the year by Rs 270.55 lakhs with consequential impact on Deferred Tax and EPS for the year ended on March 31, 2022.*

Emphasis of Matter

1. As stated in Note no. 32 VI (e), during the year, company has reversed the write off certain helicopter components having written down value of Rs. 1263.42 Lakhs (net) having prior period effect on property plant and equipment as disclosed under Note No.3.1 of the financial statements. These components were already scrapped much prior to adoption of Ind AS, however they were erroneously written off from property, plant and equipment in the previous years as well. Out of the above figure Rs. 1287.55 Lakhs has been credited to Retained earnings of FY 2019-20 while there has been increased on depreciation of FY 2020-21 by Rs. 24.13 Lakhs and same has been debited to previous year's statement of profit and loss.

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

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

4. As stated in note no. 32 XXVIII(a), the company has identified dues as on March 31, 2022 to Micro and Small enterprises only in respect of Corporate Office and Western region. Confirmations were sought from the suppliers regarding applicability of provisions of 'The Micro, Small and Medium Enterprises Development Act, 2006', but no response was received in corporate region and response received in Western region was limited. Therefore, we are unable to comment on compliance of the aforesaid Act by the Company.

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

6. As stated in note no. 32 XV (b), As per provisions of 'The Building and Other Construction Workers Welfare Cess Act, 1996' as principal employer, Company was required to deduct 1% labour cess aggregating to Rs. 52.70 lakhs excluding interest and penalty, if any from the contractor's bill for works contract carried out at Rohini Heliport, New Delhi which was capitalized in the financial year 2016-17. The Company has neither deducted nor deposited labour cess with Union Territory of Delhi for aforesaid works contract. The amount has to be recovered from the contractor and deposited; however, the matter is subjudice. This is a continuing default.

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

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

9. As stated in Note no. 32 XV, Rohini heliport was capitalized during the financial year 2016-17 on provisional basis and the contractor had gone into arbitration. Arbitration award was pronounced on 3rd July, 2019, substantially allowing claims of claimant and partially allowing counter claims of the Company. Subsequently, the Company filed objections against the award with the Hon'ble High Court of Delhi, which has granted interim stay. Pursuant to Orders passed by Hon'ble

Delhi High Court, PHL has deposited Rs. 1362.42 Lakhs in the Registry and the award has been stayed. The next date of hearing is 12.10.2022. As the matter is subjudice, impact if any, capitalization of Property, Plant & Equipment and consequential depreciation, cannot be quantified.

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

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

12. The company has followed component accounting since the date of transition i.e. April 1, 2015 for its Property, Plant & Equipment. The company has identified six major components of the helicopters namely Engine, Main Gear Box (MGB), Hub Assembly, Transmission Assembly, Embedded maintenance and Hull. Engines of Dauphin N & N3 fleet are depreciated on average flying hours instead of actual flying hours for the year. Further, cost of overhaul of Engines of Dauphin N & N3 fleet during the year has been capitalised as a single line item, without charging off balance of respective components to the Statement of Profit & Loss.

However, Branch Auditor of Western Region has observed that region has used carrying value on the date of transition i.e., April 1, 2015 as deemed cost of Property, Plant and Equipment. The Region has considered embedded maintenance of Rs. 40 lakhs for each Dauphin N3 helicopter and Rs. 60 lakhs for each Dauphin N helicopter. Basis of such allocation could not be justified and hence, its impact on the Ind AS financial statements cannot be quantified.

13. During the year under audit, we have observed gaps in internal control in Internal Financial Controls over financial reporting annexed to our report. Hence, internal audit needs to be strengthened and scope enhanced to ensure in-depth verification of functional departments other than Finance specifically Fixed Assets Management, Inventory Management, Bidding Process, Procurement Process, Accounting and Recoverability of Revenue, Statutory Compliances, Human Resources Management and Information Technology General Control etc to make it commensurate with the size and nature of operations of the company.

14. The amount of advance tax includes Rs. 6,968.89 Lakhs (March 31, 2021 Rs. 7652.05 Lakhs) relating to completed assessments upto the assessment year 2018-19 and Rs. 445.48 Lakhs pertains to A.Y. 2019-20, A.Y. 2020-21& AY 2021-22 in respect of which assessment is yet to be completed and balance advance tax of Rs. 735.35 Lakhs pertains to current financial year.

The refundable amount of aforesaid advance tax as on 31 March, 2022 amounting to Rs. 6,968.89 Lakhs upto the assessment year 2018-19 (March 31, 2021 Rs. 6,472.74 Lakhs), is not quantifiable at this stage as these cases are pending with CIT/ITAT. Hence, net amount recoverable /adjustable towards refund from the Income Tax Department has been shown under “Non-Current Assets” amounting to Rs. 6,809.45 Lakhs (March 31, 2021 Rs. 6,526.33 Lakhs) and balance amount of Rs. 1,340.07 Lakhs (March 31, 2021 Rs. 2350.39 Lakhs) has been shown under "Current Tax Assets".

15. As stated in Note No. 32 II (c) (iii), Contingent Liability relating to Service tax been increased from Rs 7346.81 Lakh as on 31-03-2021 to Rs 7435.07 Lakh as at 31.07.2022. Show Cause Notice relates to the period April, 2009 to June, 2017 from the service tax department. Company is contesting against the show cause notice issued by the Service tax department with Commissioner of Service Tax for Demand Notice of Rs. 18.59 Lakhs, at Tribunal for Demand Notice of Rs. 2431.09 Lakhs, at Commissioner of CGST & CX(Appeals) for Demand Notice of Rs. 364.40 Lakhs and for Demand Notice of Rs. 265.15 Lakhs adjudication is awaited, Original-in-Order dated 06.07.2021 has been received for payment of service tax of about Rs. 4355.84 Lakhs including Penalty and Interest against Helicopter provided on lease to North Eastern States for the period 2014-15 to 2016-17 however, the company expects that there will be no significant impact on the results of operations or cash flows, based on opinion received from a consultant.

16. As stated in Note No. 32 XXV, Government of India decided for strategic disinvestment of the entire 51% shareholding of government of India in Pawan Hans ltd. Along with transfer of management control. For this purpose, SBI capital markets were appointed by DIPAM, ministry of finance on 20th march, 2017 as Transaction Advisor for the said strategic disinvestment. In addition to the above DIPAM also appointed M/s. Crawford Bayley & Company as Legal Advisor & M/s. RBSA Advisor for valuation of PHL assets.

    The process of activities involving issue of expression of interest (EOI) along with Preliminary Information Memorandum (PIM) was started in March 2017 and 1st EOI for inviting Global bids was issued on Oct 13, 2017, which was withdrawn on April 6, 2018 as there was only one eligible bid for the next stage (Financial bidding).

    Thereafter, 2nd EOI along with Preliminary Information Memorandum (PIM) was issued on April 14, 2018 and corrigendum to the PIM issued on May 31, 2018 with last date of submission as June 18, 2018.

    Consequent to the above, Oil and Natural Gas Corporation ("ONGC"), vide its Board resolution dated August 02, 2018, communicated its intent to offload its entire shareholding of 49% in PHL. In light of this development, an addendum to PIM was issued on August 15th, 2018 to provide all potential and existing bidders an opportunity to participate in the disinvestment process. Accordingly, last date for submission on Expression of Interest (EOI) by Interested Bidders was extended up to September 12, 2018, which was further extended up to September 19, 2018. Process of evaluation of bids was carried out and Confidential Information Memorandum (CIM) document was issued and access to VDR was given to the selected bidders on 9th October, 2018. Thereafter RFP was issued on 18th December, 2018 and final SPA document incorporating comments /suggestion of SBs was uploaded on the VDR on 1st March, 2019 inviting bids by 5th March, 2019, which was further extended for another one week i.e., up to 12th March, 2019 based on the request of shortlisted bidders.

    Against the above, only one bid was received by due date i.e., 12th March 2019. After scrutiny of the Bid Transaction Adviser (SBI Capital) informed that the bid is conditional and incomplete in content and also attracts disqualification as per section 8, disqualification of RFP. Accordingly, bid was rejected and the matter was referred to DIPAM for further decision in this regard.

    After detailed deliberations, Alternative Mechanism (AM) conveyed their decision on 3rd May, 2019 to issue fresh EOI/PIM to widen the participation of bidders. Accordingly, revised PIM was prepared based on the decision taken during the EC meetings held on 13th and 17th May, 2019 and after approval the same was issued on 11th July, 2019 with last of submission as 22nd August 2019. The date of submission of the bid was extended thrice based on the request of the bidders up to September,12, 2019, September 26, 2019 & October 10, 2019 respectively. Against the above EOI bids were received. However, there was only single bid qualified for the next stage (Financial bidding) and could not be processed further.

Keeping in view of the above, DIPAM directed SBI Cap to have Road Show with the prospective bidders and accordingly meetings with the bidders were organized and inputs/observation given by them were informed to DIPAM by SBI cap for further decision in this regard.

The strategic disinvestment of GOI's stake (51%) in PHL is currently in process for which PIM/Request for Expression of Interest (EoI) was issued on December 08, 2020. Basis the evaluation of EoIs received till Due Date (March 05, 2021) and as per IMG directions. Bidders shortlisted pursuant to evaluation of EOIs were provided access to VDR, SIM, RFP and draft Share Purchase Agreement. The shortlisted bidders undertook various due diligence activities and submitted their bids which were technically evaluated. The financial bids were opened on April 23, 2022. A Consortium of 3 members (namely Star9 Mobility Pvt. Ltd.) was declared as highest bidder on April 29, 2022.

17. During the Financial Year 2019-20, company has initiated the company has initiated a scheme of Associate Helicopter Pilots to retain and enhance its strength of pilots. 37 Pilots have joined under the scheme, out of which 32 Pilots were already working with the company as regular/ contractual employees during FY 2019-20 and 10 Pilots have joined during FY 2020-21 out of which 3 Pilots were already working with the company as regular/ contractual employees, As on 31-03-2022, 45 Internal and 20 External Associate Helicopter Pilot has been appointed, out of which 13 Internal and 11 External Pilot have left the company. Currently, only 41 Associate Helicopter Pilot are associated with the company. Implementation of aforesaid scheme has lead to increased cash outflow and additional costs being borne by the company, amount whereof cannot be quantified. The scheme as approved by the Board was implemented by the HR Department.

18. Branch Auditor of Western region has observed, the Region and Administration of Lakshadweep had entered into a Memorandum of Understanding (MOU) to Lease two Dauphin SA 365N Helicopters and one Dauphin SA 365N3 for a period of 2 Years until 31/03/2022.During the financial year 2021-2022, various instances were noticed wherein the Region had provided Dauphin SA 365N3 Helicopter instead of Dauphin SA 365N Helicopter to Administration of Lakshadweep which has significantly higher Fixed Monthly Changes and Hourly Flying Charges than that of Dauphin SA 365N Helicopter. If the Dauphin SA 365N3 Helicopter was deployed to other Customers, it would have fetched significantly higher revenue than the current agreement. The Management is of the view that Dauphin SA 365N Helicopter could not be provided due to the non-availability of the Helicopter during that period. Such Non-Availability of Dauphin SA 365N Helicopter due to operational inefficiencies results in revenue leakages, the impact of which on financial statements could not be quantified.

19. Branch Auditor of Western Region has observed that, the region has a policy of recognising foreign exchange transaction in the functional currency of the Region at the exchange rates as at the date of transactions. However branch (western Region) has recognised foreign exchange revenue pertaining to ONGC by applying the exchange rate of the 1st day of the month to which the revenue pertains. This accounting practice followed by the branch (western Region) is neither in accordance with the Region's Policy nor in adherence to Ind AS 21'The Effects of Changes in Foreign Exchange Rates'. However we are unable to quantify the impact, if any, arising from such erroneous accounting practice on the Ind AS financial statements.

20. We draw attention to Note no.32 XXXXVI of the Ins AS Financial Statements which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the management. Helicopter, Operational and Maintenance Expenses as reflecting in Note No. 24 of Profit and Loss Account has declined/reduced for Non-Flying Hours and usage of the Helicopters by the Vendors due to COVID 19 restriction/Lockdown for the period under consideration. There is no significant impact on the Financials during the current financial year as compared to last financial year.

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

Key Audit Matters

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

S. No.	Key Audit Matters	Auditor's Response
1.	Accuracy of Revenues and Onerous obligations in respect of Fixed Price Contracts Involves Critical Estimates: Estimated efforts are a critical estimate to determine revenues and liability for onerous obligations. This estimate requires consideration of progress of the contract, and costs required to complete the remaining contract performance obligations. Refer Accounting Policy no. 2 (xi).	Principal audit procedures: Our audit approach was a combination of test of internal controls and substantive procedures which included the following: • Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. • Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorized changes to recording of efforts incurred. • Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to efforts incurred and estimated. • Selected a sample of contracts to identify costs for significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract. • Reviewed a sample of contracts to identify unbilled revenues, if any. • Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.

2.	The company operates in an environment where they have fixed rate contracts with state governments/ UTs/ PSUs on nomination basis/tender & passenger flying under RCS and Kedarnath Yatra. However, in following year, due to impact of COVID-19 there is reduction in flying affecting revenue & there was uncertainty in estimating amount recoverable from Trade Receivables, as the Company has received request to not charge minimum guaranteed hours per month due to pandemic. We identified revenue recognition as a key audit matter because revenue is one of the Company's key performance indicators, it involves determining unexercised rights of both parties, all of which may give rise to an inherent risk. Refer Accounting Policy no. 2 (xiii) and Note no. 32 XXXVIII.	**Principal audit procedures:** Our procedures included, but were not limited to the following: • assessed that the revenue recognition policy is in line with Ind AS 115 'Revenue from Contracts with Customers'; • performed tests of details such as tested revenue and collection reconciliations of Company's records with reports generated from system, tested manual journal entries posted into relevant revenue accounts in the sub-ledger and general ledger which met specified risk-based criteria. • analyzed the terms related to contracts and obtained data supporting like Company's correspondence with parties, wherever shared and tested a sample of revenue documents from the source data to ascertain effect on revenue and evaluated the judgements used in determining the timing & extent of recognition of revenue.
3.	**Litigations** The Company operates in an industry, which is heavily regulated, which increases inherent litigation risk. The Company is engaged in a number of legal actions, including labour matters and claims lodged by passengers. Refer Accounting Policy no. 2 (xii) and Note no. 32 II d.	**Principal audit procedures:** • We evaluated and tested the design and operating effectiveness of the Company's controls in respect of determination of provisions to ensure that they operate effectively. • We read summary of litigation matters provided by the management and held discussions with the Company's legal head with respect to the matters included in the summary. • We examined correspondence connected with the cases. To evaluate the valuation and completeness of the provision recognized by the Company, we tested its calculation. • We also evaluated adjustments to legal provisions along with the Probable, Possible and Remote analysis prepared by the Company.
4.	**Uncertain tax positions** The Company operates in a complex tax environment and is subject to a range of tax risks during the normal course of business. The arrangements for transactions/ agreements entered into by the Company are complex, judgmental and subject to challenge by the Tax Authorities. Further, the allowability of certain expenses and admission of additional supporting documents by the Company is also a matter of ongoing dispute with the authorities. Refer Accounting Policy no. 2 (xii) and Note no. 32 II c.	**Principal audit procedures:** • We evaluated and tested the design and operating effectiveness of the Company's controls over provisions for uncertain tax positions to ensure that they operate effectively. • In understanding and evaluating management's judgment, we examined correspondence connected with the cases, considered the status of recent and current tax authority enquiries, judgmental positions taken in tax returns and current year estimates and developments in the tax environment. • With the assistance of our tax team, we evaluated management's judgment in respect of estimates and opinion of consultants provided by the management for tax exposures and contingencies in order to assess adequacy of Company's tax provisions.

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Other Matter

1. We did not audit the financial statements of Western Region included in the Ind AS financial statements of the Company whose financial statements reflect total assets of Rs. 1,17,507.63 lakhs as at March 31, 2022 and total revenue of Rs. 26,134.08 lakhs and net cash outflow of Rs. 812.51 lakhs for the year ended on that date, as considered in the Ind AS financial statements. The financial statements of Western Region has been audited by the branch auditors appointed by the Comptroller & Auditor General of India, whose report has been furnished to us. Our opinion in so far as it relates to the amounts and disclosures included in respect

of Western Region, is based solely on the report of such branch auditors.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 paragraphs 3 and 4 of the Order.

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

(a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit, *subject to our comments in paragraph 'Basis of Qualified Opinion;*

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

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

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

(e) Except for the effect of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**;

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

(i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 32 (II) to the Ind AS financial statements;

ii. The Company did not have any long-term contracts, which may lead to material foreseeable losses. The Company does not deal in derivative contracts.

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

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

For S. S. Periwal & Co.
Chartered Accountants
Firm Regn. No.: 001021N

Sd/-
CA Anand Grover
(Partner)
Membership No.: 097954

Place: New Delhi
Date: 21.10.2022
UDIN: 22097954BAOPHH4555

Annexure 'A' to the Independent Auditor's Report to the members of Pawan Hans Ltd. on the Ind AS financial statements for the year ended March 31, 2022

(a) (A) In Western Region, the Company has maintained records showing full particulars, including quantitative details and situation of Property, Plant & Equipment in digital medium. In respect of Corporate Office, fixed assets register, as prescribed under the Act has been maintained, however, few instances have been observed where, situation of fixed assets has not been states. In Northern region, the company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(B) According to the information and explanations given to us, the Company has no Intangible Asset and hence the said sub clause is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. During the year end, the fixed assets are physically verified by the Management with the help of an independent outside agency. No physical verification was conducted at Northern Region & its bases including Westland fleet lying at Western Region. As per explanation provided to us, physical verification for Corporate Office and Eastern Region including its bases has been conducted during current financial year and reconciliation between balance as per books and as per physical verification is still under progress. In our opinion, this periodicity of physical verification by the management needs to be strengthened, as helicopter, its major Property, Plant & Equipment including spare engines should be verified on an annual basis having regard to the size of the Company and the nature of its assets.. Further, Rotables and repairable of Gross Value of Rs. 5551.00 Lakhs were sent for repairs and were lying with foreign OEMs as at the year-end. Out of these, Rotables of Gross Value of Rs. 1405.79 Lakhs and WDV of Rs 901.00 Lakh have been received back after 31 March, 2022. The Wetserm Region has been unable to obtain confirmation from some OEM for holding Rotables on behalf of the Region amounting to Gross Amount Rs.2,536.53 Lakhs (WDV of Rs.1,685.80 Lakhs).

(c) The title deeds of immovable properties, as disclosed in Note no. 3 on Property, Plant and Equipment in the Ind AS financial statements, are held in the name of the Company, except for Rohini Heliport, land for which is owned by the Ministry Of Civil Aviation. Further, in respect of Building Residential (JHC) in Western Region, title deeds are not held in the Company's name. The land of JHC is in the name of Airport Authority of India (AAI). The Company had constructed 242 flats out of which 50 flats were given to AAI in lieu of lease rentals for the said land which are partially taken on lease for the period of 25 years. Further in respect of 6 MHADA flats as disclosed in Note No 32 (V) (b) where the possession of the flats is lying with company but title deed of such flats is not registered in the name of company. Below are the details for such flats:

Description of property	Gross Carrying Value	Held in name of	Whether Promoter, director or their relative or promoter	Period Held Indicate Range	Reason for not being held in the name of company
Residential Flats		MHADA	Not Applicable	1998 – till Date	Due to non-payment of stamp duty

(d) According to the information and explanations given to us, the Company has not revalued any Property, Plant & Equipment or any Intangible Asset. Accordingly, paragraph 3(i)(d) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2022 for holding any benami property under the benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the inventory has been physically verified at reasonable intervals (excluding inventory lying with third parties and material in transit).

In Western Region, the inventory has been physically verified by management, however, the reconciliations between balances as per books and as per physical verification report is still under progress. In case of stock of stores and spares at the detachments, the issuances are made from Mumbai and at the year end the closing stock of stores and spares at Western Region is recorded based on physical verification reports submitted by respective detachments.

In Northern Region, physical verification of inventory has been done internally by the management and no stock audit has been conducted by third party/independent outside agency.

In our opinion and according to the information and explanation given to us, during the physical verification conducted by management with the help of an independent outside agency, discrepancies were noticed between balances as per books and as per physical verification report which are in process of being dealt in the books of accounts. Also, proper internal control system should be placed in inventory movement to eliminate any deviations between book quantity and actual quantity.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks or financial institution at any point of time during the year under audit. Accordingly, paragraph 3(ii) (b) of the (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company

(iii) According to the information and explanation given to us, the Company has not made any investment, not provided any guarantee or security to companies, firms, limited labiality partnership or any other parties during the year. Accordingly, paragraph 3(iii)(a) (b) (c) (d) (e) (f) of the (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;

(iv) According to information and explanation given to us there are no loans, investment, guarantee, and securities given in respect of which provision of section 185 and 186 of companies Act, are not applicable. Accordingly, paragraph 3(iv) of the (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder; Accordingly, paragraph 3(v) of the (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;

(vi) The Central Government of India has not prescribed maintenance of cost records under subsection (1) of Section 148 of the Act for any of the activities of the Company. Accordingly, paragraph 3(vi) of the (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company

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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, goods & services tax, value added tax and other statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable except stamp duty amounting to Rs. 13.81 lakhs which has not been paid till date.

b) According to the information and explanations given to us, there are no dues of income tax, provident fund, employees' state insurance, sales tax, service tax, goods & services tax, value added tax, duty of customs, duty of excise and cess which have not been deposited by the Company with the appropriate authorities on account of any dispute as at March 31, 2022, other than those mentioned below:

Sl. No.	Name of the Statute	Nature of the dues	Amount (Rs. in lakhs)*	Period to which the amount relates	Forum where dispute is pending
1	Delhi Value Added Tax Act, 2004	VAT, Interest & Penalty	11,513.49	FY 2006-07	Appellate Tribunal, VAT, Delhi
2	Delhi Value Added Tax Act, 2004	VAT, Interest & Penalty	11,774.22	FY 2007-08	Appellate Tribunal, VAT, Delhi
3	Delhi Value Added Tax Act, 2004	VAT, Interest & Penalty	14,114.15	FY 2008-09	Appellate Tribunal, VAT, Delhi
4	Delhi Value Added Tax Act, 2004	VAT, Interest & Penalty	14,107.79	FY 2009-10	Appellate Tribunal, VAT, Delhi
5	Finance Act, 1994	Service Tax	532.31 (71.21)	FY 2009-10	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
6	Finance Act, 1994	Service Tax	447.43	FY 2010-11	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
7	Finance Act, 1994	Service Tax	551.39	FY 2011-12	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
8	Finance Act, 1994	Service Tax	274.07 (50.51)	FY 2012-13	Customs, Excise and Service Tax Appellate Tribunal, Mumbai

9	Finance Act, 1994	Service Tax	482.40 (36.57)	FY 2014-15	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
10	Finance Act, 1994	Service Tax	317.44 (5.01)	FY 2015-16	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
11	Finance Act, 1994	Service Tax	354.43 (7.65)	FY 2016-17	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
12	Finance Act, 1994	Service Tax	31.84 (0.34)	FY 2017-18	Adjudicating Authority, CGST, Mumbai West
13	Finance Act, 1994	Service Tax	2,178.22	FY 2014-15 to FY 2016-17	Principal Commissioner, CGST, Guwahati
14	Employee State Insurance Act, 1948	ESIC contribution & Interest	25.30	FY 2012-13 to August 2016	District Court, Saket, New Delhi
15	Income Tax Act, 1961	Disallowance of expenses & Interest	2,997.00 (1,055.04)	AY 1997-98	ITAT, Delhi
16	Income Tax Act, 1961	Disallowance of expenses & Interest	2,975.00 (3,536.36)	AY 1998-99	ITAT, Delhi
17	Income Tax Act, 1961	Disallowance of expenses & Interest	2,650.00 (3,292.78)	AY 1999-00	ITAT, Delhi
18	Income Tax Act, 1961	Disallowance of expenses & Interest	4,742.00 (5,047.84)	AY 2000-01	ITAT, Delhi
19	Income Tax Act, 1961	Disallowance of expenses & Interest	2,556.00 (3,278.93)	AY 2001-02	ITAT, Delhi
20	Income Tax Act, 1961	Disallowance of expenses & Interest	5,829.79	AY 2017-18	CIT (Appeals)

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

(viii) According to the information and explanations given to us, the Company does not have any transactions not recorded in books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961. Accordingly, paragraph 3(viii) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;

(ix) (a) The Company has not taken any loans and borrowings from lenders, Accordingly, paragraph 3(ix)(a) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company

(b) The Company has not been declared wilful defaulter by any bank or Financial Institution or government or any government authority;

(c) The Company has not taken any term loans during the year and the loans, Accordingly, paragraph 3(ix)(c) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;

(d) According to the information given to us, the Company has not raised short-term funds during the year, Accordingly, paragraph 3(ix)(d) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;

(e) According to information and explanation given to us, Company has not taken any fund from any entity or from any person on account of or to meet the obligations of its subsidiaries, associates or joint ventures and hence paragraph 3(ix)(e) the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;

(f) According to information and explanation given to us, the Company has not raised loans during the year on the pledge of securities held in its securities, joint ventures or associates companies and hence paragraph 3(ix)(f) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of our audit.

(b) According to the information and explanations given to us, no report under section (12) of Section 143 of the Companies Act 2013, has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

(xii) To the best of our knowledge and belief and according to the information given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii)(a) (b) (c) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;

(xiii) According to the information and explanations given to us, and on the basis of our examination of the records, the company has complied with provision of Section 177 and 188 of the Act,wherever applicable, for transactions with related parties and details of related party transactions have been disclosed in Note No 32 XXVII of the Ind AS Financial Statements as required by applicable accounting standards;

(xiv) (a) According to the information and explanations given to us the Company, internal audit system need to be strengthened and scope need to be enhanced to ensure in-depth verification of all functional departments controls to make it commensurate with the size and nature of operations of the Company.

(b) The reports of internal audits for respective regions have been considered during the course of audit however for Western Region Internal Audit report for quarter ending Jan 2022 to March 2022 has not been received.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanation provided to us during the course of audit, the Group does not have any CICs (Core Investment Company). Accordingly, the requirements of Clause 3(xvi) (d) are not applicable

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and not in the immediately preceding financial year;

(xviii) There has been no instance of resignation by the statutory auditor under section 140(2) of the companies act 2013 during the year and accordingly paragraph 3(xviii) Accordingly, paragraph 3(x)(a) & (b) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that 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 Region. 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) According to information and explanations given to us and based on our examination of the records of the Company, the provisions of Corporate Social Responsibility contained in Section 135 of Companies Act, 2013 are not applicable on the company subject to Note No. 32 XVII of the Financial Statements.

For S. S. Periwal & Co.
Chartered Accountants
Firm Regn. No.: 001021N

Sd/-
CA Anand Grover
(Partner)
Membership No.: 097954

Place: New Delhi
Date: 21.10.2022
UDIN: 22097954BAOPHH4555

Annexure 'B' to the Independent Auditor's Report to the members of Pawan Hans Ltd. on the Ind AS financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Pawan Hans Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Financial Statements

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

Qualified Opinion

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

In our opinion, except for the effects/possible effects of the material weakness/es described above on the achievement of the objectives of the control criteria, the Company has maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 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.

We have, to the extent possible, considered the material weakness/es identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of March 31, 2022 Ind AS financial statements of the Company, and these material weaknesses are not likely to affect our opinion on the Ind AS financial statements of the Company.

For S. S. Periwal & Co.
Chartered Accountants
Firm Regn. No.: 001021N

Sd/-
CA Anand Grover
(Partner)
Membership No.: 097954

Place: New Delhi
Date: 21.10.2022
UDIN: 22097954BAOPHH4555

Annexure 'C' to the Independent Auditor's Report to the members of Pawan Hans Ltd. on the Ind AS financial statements for the year ended March 31, 2022

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

S. No.	Directions	Auditor's Comment	Impact
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implication, if any, may be stated.	1. All the accounting transactions of the company are processed region-wise through separate IT systems. However, company has to merge financial data and Books of Account region wise manually for Preparation of Standalone/ Consolidated Balance sheet and reporting purposes, which may give the scope of human error, omission and commission during the consolidation of the Financial Statements. 2. In respect to Fixed Assets Register (FAR) and Inventory. FAR is maintained in Excel sheet and depreciation on fixed assets are calculated and subsequently posted in TCS(ERP) System. Further, stock records are maintained separately in excel sheet. However, there is no impact on the integrity of the accounts or financial impact on the Books of Accounts.	NIL
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial may be stated.	As per information and explanations given to us the Company does not have any instances of restructuring of an existing loan or cases of waiver/ write off of debts/loans /interest etc. made by a lender to the Company due to it's inability to repay the loan.	NIL
3	Whether funds received / receivable for specific schemes from central / state agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	As per information and explanations given to us, the Company has not received any funds from central /state agencies during the year.	NIL

For S. S. Periwal & Co.
Chartered Accountants
Firm Regn. No.: 001021N

Sd/-
CA Anand Grover
(Partner)
Membership No.: 097954

Place: New Delhi
Date: 21.10.2022
UDIN: 22097954BAOPHH4555

ACCOUNTS

PAWAN HANS LIMITED
Balance Sheet as at 31 March, 2022

(Rupees in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	3.1	94,843.12	76,276.63	76,651.51
(b) Capital work-in-progress	3.1	928.92	32.82	12.77
(c) Intangible assets	4		-	-
(d) Financial assets				
(i) Investments	5	-	-	-
(ii) Loans	6	93.08	100.83	121.43
(iii) Other financial assets	7	514.81	520.52	547.28
(e) Other non-current assets	8	7,076.54	6,500.51	6,717.09
Total Non current assets		**1,03,456.47**	**83,431.31**	**84,050.08**
(2) Current assets				
(a) Inventories	9	6,231.49	4,924.24	5,107.00
(b) Financial assets				
(i) Trade receivables	10	19,204.94	17,300.10	16,465.79
(ii) Cash and cash equivalents	11.1	2,656.95	5,234.11	5,365.43
(iii) Other bank balances	11.2	5,200.83	8,750.06	6,429.70
(iv) Loans	12	330.98	258.88	410.29
(v) Other financial assets	7	1,842.20	1,741.45	2,073.09
(c) Current tax assets (Net)	13	1,340.27	2,350.39	1,505.00
(d) Other Current Assets	8	4,503.56	4,904.93	7,856.70
(e) Assets classified as held for disposal/distribution	32(XV)	5,528.27	4,599.12	4,894.81
Total Current assets		**46,839.49**	**50,063.28**	**50,107.81**
Total Assets		**1,50,295.96**	**1,33,494.59**	**1,34,157.89**
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital	14.1	55,748.20	55,748.20	55,748.20
(b) Other Equity	14.2	41,252.46	43,117.72	45,262.82
Total Equity		**97,000.66**	**98,865.92**	**1,01,011.02**
Liabilities				
(2) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	15	-	67.60	853.10
(ii) Other financial liabilities	18	18,164.21	755.89	873.72
(b) Other non current liabilities	20	-	-	-
(c) Provisions	16	4,391.56	4,302.90	3,913.05
(d) Deferred tax liabilities (Net)	17	8,933.98	8,073.84	9,329.72
Total Non Current Liabilities		**31,489.75**	**13,200.23**	**14,969.59**
(3) Current liabilities				
(a) Financial liabilities				
(i) Trade payables	19	6,521.03	6,010.35	4,038.12
(ii) Other financial liabilities	18	5,818.89	5,772.70	5,114.82
(b) Other current liabilities	20	4,522.63	4,534.43	4,662.55
(c) Provisions	21	4,326.75	4,434.35	3,594.28
(d) Current tax liabilities (Net)	13		-	-
Total Current Liabilities		**21,189.30**	**20,751.83**	**17,409.77**
(4) Liabilities directly associated with assets classified as held for sale	32(XV)	616.25	676.62	767.51
Total Equity and Liabilities		**1,50,295.96**	**1,33,494.59**	**1,34,157.89**

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

This is the Balance Sheet referred to in our report of even date

For & on behalf of Board of Directors

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

For S.S.Periwal & Co.
Chartered Accountants
Firm Regd.No. 001021N

Sd/-
(Anand Grover)
Partner
Membership No.097954

Sd/-
(Ranjit Singh Chauhan)
Company Secretary
Membership No.F8785

Sd/-
Ajay Gupta
Chief Financial Officer
Membership No.079580

Place : New Delhi
Date : 21.10.2022
UDIN : 22097954BAOPHH4555

Place : Noida

PAWAN HANS LIMITED

Statement of Profit and Loss for the year ended 31 March, 2022

(Rupees in Lakhs)

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue From Operations	22	38,512.77	37,237.48
II	Other Income	23	2,708.37	2,881.32
	Total Income (III)		**41,221.14**	**40,118.80**
IV	Expenses			
	Helicopter Operational & Maintenance Expense	24	12,395.07	13,031.46
	Employee benefits expense	25	15,829.01	16,748.39
	Finance costs	26	545.38	195.69
	Depreciation and amortization expense	27	9,338.07	6,599.20
	Other expenses	28	3,541.32	5,788.78
	Total expenses (IV)		**41,648.85**	**42,363.52**
V	**Profit/(Loss) before exceptional items and tax (III-IV)**		(427.72)	(2,244.71)
VI	Exceptional Items	29		-
VII	**Profit/(Loss) before tax (V-VI)**		(427.72)	(2,244.71)
VIII	**Tax Expense :**			
	(1) Minimum Alternate Tax		-	90.00
	(2) Provision for Income Tax for Earlier Years			-
	(3) Deferred Tax		885.14	(1,074.26)
			885.14	**(984.26)**
IX	**Profit/(Loss) of Continued Operations for the period (VII-VIII)**		**(1,312.86)**	**(1,260.46)**
X	**Discontinued operations**			
	Profit /(Loss)from discontinued operation before tax		**(498.27)**	**(484.12)**
	Tax expense of discontinued operations			-
			(498.27)	(484.12)
XI	**Other Comprehensive Income**			
	(A) Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
	(i) Net gain/(loss) on above		-	-
	(ii) Tax effect on above		-	-
				-
	(B) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
	(i) Net gain/(loss) on above	30	(80.12)	(582.16)
	(ii) Tax effect on above		25.00	181.63
			(55.13)	**(400.53)**
XII	**Total Comprehensive Income for the period (IX+ X+XI) (Comprising Profit/(loss) and Other Comprehensive Income for the period)**		**(1,866.25)**	**(2,145.11)**
XIII	**Earnings per equity share**	31		
	- Continued Operations			
	(1) Basic		(245)	(298)
	(2) Diluted		(245)	(298)
	- Discontinued Operations			
	(1) Basic		(89)	(87)
	(2) Diluted		(89)	(87)

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

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

For & on behalf of Board of Directors

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

For S.S.Periwal & Co.
Chartered Accountants
Firm Regd.No. 001021N

Sd/-
(Anand Grover)
Partner
Membership No.097954

Sd/-
(Ranjit Singh Chauhan)
Company Secretary
Membership No.F8785

Sd/-
Ajay Gupta
Chief Financial Officer
Membership No.079580

Place : Noida

Place : New Delhi
Date : 21.10.2022
UDIN : 22097954BAOPHH4555

PAWAN HANS LIMITED
Statement of Changes in Equity for the year ended 31 March, 2022

(Rupees in Lakhs)

Particulars	Equity share Capital	Share Application Money Pending Allotment	Reserve and Surplus		Items of OCI		Total Other Equity
			General Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	Other items of Other Comprehensive Income	
As at April 1, 2020	**55,748.20**	**-**	**2,050.00**	**43,645.76**	**(95.65)**	**(337.29)**	**45,262.82**
Changes in accounting policy	-	-	-	-	-	-	-
Impact of application of Ind AS 116	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	**55,748.20**	**-**	**-**	**-**	**-**	**-**	**-**
Profit /(Loss) for the year from Continued Operations	-	-	-	(1,260.46)	-		(1,260.46)
Other comprehensive income	-	-	-			(400.53)	(400.53)
Total comprehensive income for the year	**55,748.20**	**-**	**-**	**(1,260.46)**	**-**	**(400.53)**	**(1,660.99)**
Dividend	-	-	-	-	-	-	-
Payment of dividend distribution tax	-	-	-	-	-	-	-
Profit /(Loss)from discontinued operation	-	-	-	(484.12)	-	-	(484.12)
Transfer to retained earnings	-	-	-	-	-	-	-
Any other change	-	-	-	-	-	-	-
As at March 31, 2021	**55,748.20**	**-**	**2,050.00**	**41,901.19**	**(95.65)**	**(737.82)**	**43,117.72**
Changes in accounting policy	-	-	-	-	-	-	-
Prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	**55,748.20**	**-**	**-**	**-**	**-**	**-**	**-**
Profit /(Loss) for the year from Continued Operations	-	-	-	(1,312.86)	-	-	(1,312.86)
Other comprehensive income	-	-	-			(55.13)	(55.13)
Total comprehensive income for the year	**55,748.20**	**-**	**-**	**(1,312.86)**	**-**	**(55.13)**	**(1,367.99)**
Dividend	-	-	-	-	-	-	-
Payment of dividend distribution tax	-	-	-	-	-	-	-
Profit /(Loss)from discontinued operation	-	-	-	(498.27)	-	-	(498.27)
Transfer to retained earnings	-	-	-	-	-	-	-
Any other change	-	-	-	1.00	-	-	1.00
As at March 31, 2022	**55,748.20**	**-**	**2,050.00**	**40,091.06**	**(95.65)**	**(792.95)**	**41,252.46**

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

For & on behalf of Board of Directors

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

For S.S.Periwal & Co.
Chartered Accountants
Firm Regd.No. 001021N

Sd/-
(Anand Grover)
Partner
Membership No.097954

Sd/-
(Ranjit Singh Chauhan)
Company Secretary
Membership No.F8785

Place : Noida

Sd/-
Ajay Gupta
Chief Financial Officer
Membership No.079580

Place : New Delhi
Date : 21.10.2022
UDIN : 22097954BAOPHH4555

PAWAN HANS LIMITED

Statement of Cash Flow for the year ended 31 March, 2022

(Rupees in Lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
A. Cash Flow from Operating Activities				
Net Profit before tax from Continuing Operations		(507.84)		(2,826.88)
Net Profit before tax from Discontinuing Operations		(498.27)		(484.12)
Adjustment for:				
Depreciation and Amortization expenses (Net) Continued Operation	9,338.07		6,599.20	
Depreciation and Amortization expenses (Net) DisContinued Operation	359.54		362.80	
Interest Income on Bank Deposits	(363.22)		(474.97)	
Insurance Claims - Only Hull	-		(780.06)	
Profit on Sale of Fixed Assets	-		(6.08)	
Interest Cost	545.38		195.69	
Fixed Assets written off	267.27		440.37	
Provision for doubtful debts & advances/Expected Credit Losses	241.08		1,919.84	
Provision for non-moving inventory/life expired items	117.97		282.93	
Unrealised Foreign Exchange Fluctuations	(5.24)		(9.84)	
Loose Tools Written Off	-		0.37	
Excess Provision Written Back (Others)	(1,367.32)		(136.89)	
Provision for Inventory Shortage /excess	96.56		-	
Loss on modification of Lease	0.43		-	
Provision on impairment of assets	(54.43)		-	
Provision for Dimunition in Value of Investment	-		-	
		9,176.09		8,393.35
Operating Profit Before Working Capital Changes		8,169.97		5,082.35
Changes in Assets and Liabilities				
Trade Recievables	(1,049.77)		(2,519.88)	
Loans & Advances and other assets	(1,712.69)		3,574.42	
Inventories	(1,618.91)		(269.76)	
Trade Payables, Other Liabilities and Provisions	19,264.89		3,453.26	
Cash generated from operations		**14,883.52**		**4,238.03**
Income Tax (Paid)/Received		727.00		(687.57)
Net cash generated by operating activities		23,780.49		8,632.81
B. Cash Flow from Investing Activities				
Purchases of Fixed Assets	(28,117.41)		(6,665.66)	
Sales / Insurance Claim / Adjustment of Fixed Assets	1.05		787.81	
Capital Work-in Progress	(896.10)		(20.05)	
Interest received	363.22		474.97	
Net Cash used in investing activities		(28,649.24)		(5,422.93)
C. Cash Flow from Financing Activities				
Interest Cost	(545.38)		(195.69)	
Repayment of Long Term Borrowings	(785.49)		(739.86)	
Net Cash generated by/ (used in) financing activities		**(1,330.87)**		**(935.55)**
Net Increase In Utilisation of Cash and Cash Equivalents		**(6,199.63)**		**2,274.33**
Cash and cash equivalents at the beginning of the period		14,112.49		11,838.16
Cash and cash equivalents at the end of the period		**7,912.86**		**14,112.49**
Notes:				
1.Cash & Cash Equivalents includes:				
Cash & Cash Equivalents related to continuing Operations		2,656.95		5,234.11
Less:Balance of Dividend Account With Bank		0.16		0.14
Net Cash & Cash Equivalents related to continuing Operations (A)		2,656.79		5,233.97
Cash & Cash Equivalents related to discontinuing Operations (B)		55.25		128.46
Cash and Cash Equivalents (A+B)		**2,712.04**		**5,362.43**
Other bank Balances (C)		5,200.83		8,750.06
Total Cash and Cash Equivalents (A+B+C)		**7,912.86**		**14,112.49**

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

Notes :

1. Figures in Brackets indicates Cash outflows..
2. The above Cash Flow Statement has been prepared under the indirect method set out in IND -AS -7 Cash Flow Statement.
3. Total Cash and Cash Equivalents Includes Margin Money of Rs. 4483.66 Lakhs (P.Y. Rs.4895.83 lakhs)

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

For & on behalf of Board of Directors

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

For S.S.Periwal & Co.
Chartered Accountants
Firm Regd.No. 001021N

Sd/-
(Anand Grover)
Partner
Membership No.097954

Sd/-
(Ranjit Singh Chauhan)
Company Secretary
Membership No.F8785

Sd/-
Ajay Gupta
Chief Financial Officer
Membership No.079580

Place : Noida

Place : New Delhi
Date : 21.10.2022
UDIN : 22097954BAOPHH4555

SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information

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

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

2. A Basis of preparation

(i) Statement of compliance

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

The financial statements were authorized for issue by the Board of Directors of the Company on 21st October,2022.

(ii) Basis of measurement

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

(iii) Critical accounting estimates and judgments

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

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

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

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

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

Point No.2 (iii) below - fair value measurement of financial instruments.

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

B. Significant Accounting Policies

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

(i) Current Vs Non-Current Classification

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

Assets

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

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

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

Liabilities

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

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

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

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

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

(ii) Foreign currency transactions and translations

Functional and presentation currency

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

Transactions and Balances

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

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

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

(iii) Fair value measurement

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

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

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

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

- Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

(iv) Financial Instruments

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

(A) Financial Assets

Recognition and initial measurement

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

Classification and subsequent measurement

Classification

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

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

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

Initial Recognition and Measurement

Subsequent Measurement

Financial Assets measured at amortized cost

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

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

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

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

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

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

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

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

(C) Write-off

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

(D) Financial liabilities

Initial recognition and measurement

Financial liabilities at initial recognition can be classified as under:

- financial liabilities at fair value through profit or loss,
- financial liabilities measured at amortized cost,
- loans and borrowings and payables,

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

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

<u>Subsequent measurement</u>

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

(E) De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

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

(F) Offsetting of financial instruments

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

(v) Cash and cash equivalents

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

(vi) Property, Plant and Equipment

Recognition and Measurement

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

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

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

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

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

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

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

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

Subsequent costs

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

Depreciation

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

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

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

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

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

Capital work-in-progress

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

(vii) Intangible Assets

Recognition and measurement

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

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

Subsequent costs

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

Amortization

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

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

Non-current assets held for sale

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

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

(viii) Inventories

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

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

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

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

(ix) Impairment

a) Financial assets

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

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

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

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

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

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

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

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

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

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

b) Non-financial assets

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

(x) Employee Benefits

a) Short term employee benefits

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

b) Post-employment benefit plans

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

Defined Contribution plans

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

Provident Fund

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

Pension Fund

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

Defined benefit plans

The company provides the following major defined benefit plans:

Gratuity

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

Post-Retirement Medical Benefit Scheme (PRMBS)

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

Baggage Allowance on retirement

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

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

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

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

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

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

Leave (Earned Leave/ Half Pay Leave)

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

(xi) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. No provision for accrued expenses/ liabilities is made in the accounts where the individual transaction is less than Rs. 5,000.

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

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

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

(xii) Contingent liabilities / contingent assets

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

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

(xiii) Revenue Recognition

Revenue from Contract with Customers

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

ii. Satisfaction of performance obligation over time

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

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

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

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

iii. Satisfaction of performance obligation at a point in time

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

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

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

iv. Measurement

1. Revenue is recognized at the amount of the transaction price that is allocated to the performance obligation.
2. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third parties.
3. In case of price escalation, where additional consideration is to be determined and approved by the customers, such additional revenue is recognised on receipt of confirmation from the customer(s).
4. Revenue is measured at fair value of the consideration received or receivable. The specific recognition criteria decided below must also be met before revenue is recognized.

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

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

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

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

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

vi. Penalties

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

(xiv) Dividend to equity shareholder

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

(xv) Prepaid Expenses

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

(xvi) Borrowing Costs

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

(xvii) Commission

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

(xviii) Expenditure

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

(xix) Helicopter repair and maintenance cost

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

(xx) Helicopter fuel expense

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

(xxi) Income Taxes

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

Current Tax

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

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

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

(xxii) Deferred Tax

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

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

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

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

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

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

(xxiii) Earnings per equity share

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

EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential ordinary shares.

(xxiv) Segment reporting

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

(xxv) Insurance / Insurance Claim

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

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

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

(xxvi) Events after the Reporting Period

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

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

(xxvii) Leases

<u>Company as a Lessee:-</u>

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

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

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

Liability for lease is created for an

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

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

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

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

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

Company as a Lessor:

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

a) **Finance Lease :**

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

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

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

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

b) **Operating lease:**

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

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

Notes to Financial Statements for the year ended 31 March, 2022

Note 3: Property, Plant and Equipment

3.1 Assets under active use

(Rupees in Lakhs)

Particulars	Right to Use Assets Helicopter S76D	Helicopter/Aero Engine & Other Related Component	Building	Plant & Equipment	Furniture & Fixture	Vehicle	Office Equipment	Computer & other related equipments	Right to Use Assets	Total	Capital work in progress
Gross carrying value as at 1 April, 2020	**-**	**1,01,435.87**	**2,481.31**	**2,858.41**	**326.03**	**80.70**	**180.42**	**222.82**	**1,719.75**	**1,09,305.29**	**77.35**
Additions	-	5,721.05	4.03	31.96	1.31	-	12.19	1.40	697.04	6,468.98	28.75
Impairment	-	197.95	-	-	-	-	-	-	-	197.95	-
Transferred to Discontinued Operations	-	-	(1.47)	-	-	-	-	-	-	(1.47)	-
Disposals/Adjustments	-	(1,101.65)	-	(16.59)	(5.74)	-	(6.56)	(0.45)	-	(1,130.99)	(8.69)
Gross carrying value as at 31 March, 2021	**-**	**1,06,253.22**	**2,483.87**	**2,873.78**	**321.60**	**80.70**	**186.05**	**223.77**	**2,416.79**	**1,14,839.76**	**97.41**
Additions	19,892.75	7,377.61	2.88	209.69	0.53	-	12.17	18.13	532.05	28,045.81	896.10
Disposals/Adjustments	-	(2,304.99)	-	(2.95)	-	-	(0.68)	(0.42)	(80.04)	(2,389.08)	-
Impairment	-	54.43	-	-	-	-	-	-	-	54.43	-
Transferred to Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-
Gross carrying value as at 31 March, 2022	**19,892.75**	**1,11,380.27**	**2,486.75**	**3,080.52**	**322.13**	**80.70**	**197.54**	**241.47**	**2,868.80**	**1,40,550.92**	**993.51**
Depreciation & Impairment	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 1 April, 2020	**-**	**29,419.10**	**623.99**	**1,205.48**	**256.55**	**63.88**	**114.16**	**180.45**	**790.17**	**32,653.78**	**-**
Depreciation charge for the year- Continued Operations	-	5,472.34	124.08	220.10	12.04	2.19	11.42	8.13	748.90	6,599.20	-
Depreciation charge for the year- Discontinued Operations	-	-	267.09	8.10	11.13	0.10	75.81	-	-	362.23	-
Transferred to Discontinued Operations	-	-	(267.09)	(8.10)	(11.13)	(0.10)	(75.81)	-	-	(362.23)	-
Impairment	-	-	-	-	-	-	-	-	-	-	-
Amount adjusted from Retained earnings	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	(672.45)	(0.47)	(7.31)	(4.80)	-	(4.81)	-	-	(689.84)	-
Accumulated depreciation as at 31 March, 2021	**-**	**34,218.99**	**747.60**	**1,418.27**	**263.79**	**66.07**	**120.77**	**188.58**	**1,539.07**	**38,563.14**	**-**
Depreciation charge for the year- Continued Operations	1,665.26	6,725.93	115.51	214.74	7.23	2.21	9.76	5.39	592.04	9,338.07	-
Depreciation charge for the year- Discontinued Operations	-	-	264.74	-	11.13	0.10	75.46	-	-	351.43	-
Transferred to Discontinued Operations	-	-	(264.74)	-	(11.13)	(0.10)	(75.46)	-	-	(351.43)	-

Particulars	Right to Use Assets Helicopter S76D	Helicopter/Aero Engine & Other Related Component	Building	Plant & Equipment	Furniture & Fixture	Vehicle	Office Equipment	Computer & other related equipments	Right to Use Assets	Total	Capital work in progress
Impairment	-	(151.89)	-	-	-	-	-	-		(151.89)	-
Amount adjusted from Retained earnings	-	-	-	-	-	-	-	-		-	-
Disposals	-	(2,038.19)	-	(2.56)	-	-	(0.54)	(0.23)		(2,041.52)	-
Accumulated depreciation as at 31 March, 2022	**1,665.26**	**38,754.84**	**863.11**	**1,630.45**	**271.02**	**68.28**	**129.99**	**193.74**	**2,131.11**	**45,707.80**	**-**
Net book value											
At 31 March 2022	18,227.49	72,625.43	1,623.64	1,450.07	51.10	12.42	67.55	47.73	737.69	94,843.12	993.51
At 31 March 2021	-	72,034.23	1,736.27	1,455.51	57.80	14.63	65.28	35.19	877.72	76,276.63	97.41
At 1 April 2020	-	72,016.77	1,857.32	1,652.93	69.48	16.82	66.26	42.37	929.58	76,651.51	77.35

	At 31 March 2022	**At 31 March 2021**	**At 1 April 2020**
Property, Plant & Equipment	94,843.12	76,276.63	76,651.51
Less : Provision for assets not in use	-	-	-
	94,843.12	76,276.63	76,651.51
Capital work in progress	993.51	97.41	77.35
Less : Provision against Capital work in progress	(64.59)	(64.59)	(64.58)
	928.92	32.82	12.77

NOTE 4
INTANGIBLE ASSETS

(Rupees in Lakhs)

Particulars	Computer Software	Total
Gross carrying value as at 1st April, 2020	**207.30**	**207.30**
Additions / (Deletion / Adjustment)	-	-
Gross carrying value as at 31 March, 2021	**207.30**	**207.30**
Additions / (Deletion / Adjustment)	-	-
Gross carrying value as at 31 March, 2022	**207.30**	**207.30**
Amortisation & Impairment		
Accumulated depreciation as at 31 March, 2020	**207.30**	**207.30**
Amortisation	-	-
Impairment	-	-
Accumulated depreciation as at 31 March, 2021	**207.30**	**207.30**
Amortisation	-	-
Impairment	-	-
Accumulated depreciation as at 31 March, 2022	**207.30**	**207.30**
Net book value		
At 31 March 2022	-	-
At 31 March 2021	-	-
At 1 April 2020		

NOTE 5
INVESTMENTS

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2022	March 31, 2021	April 1, 2020
<u>**Non-current**</u>			
Unquoted equity instruments			
Investments at fair value through OCI (Fully paid up)			
National Flying Training Institute Pvt Ltd	289.34	289.34	289.34
28,93,353 (P.Y. 28,93,353) Equity shares of Rs.10/- each fully paid up)			
Less: Provision for Diminution in value of investments	(289.34)	(289.34)	(289.34)
Total	-	-	-
Aggregate carrying value of unquoted investments	289.34	289.34	289.34
Aggregate market value of unquoted investments	-	-	-
Aggregate amount of impairment in value of investments	289.34	289.34	289.34

NOTE 6
LOANS*

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2022	March 31, 2021	April 1, 2020
<u>Non-Current</u>			
Loans to related party	-	-	-
Other loans			
(i) Loans to employees			
Secured, considered good	87.47	94.20	115.12
Unsecured, considered good	3.95	4.15	4.01
Unsecured, considered doubtful	21.75	21.75	21.75
	113.17	120.10	140.88
Less: Provision for doubtful loans	(21.75)	(21.75)	(21.75)
	91.42	98.35	119.13
(ii) Prepaid Expenses - Secured considered Good	1.66	2.48	2.30
(iii) Loan to Public Sector Undertaking, Considered Doubtful	725.00	725.00	725.00
Less: Provision for doubtful loan	(725.00)	(725.00)	(725.00)
	-	-	-
Total	**93.08**	**100.83**	**121.43**

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

NOTE 7
OTHER FINANCIAL ASSETS

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2022	**March 31, 2021**	**April 1, 2020**
(Unsecured, considered good unless otherwise stated)			
Non-Current			
Security deposits			
Unsecured, considered good	429.93	411.21	407.81
Unsecured, considered doubtful	13.72	13.72	13.66
	443.65	424.93	421.47
Less: Provision for doubtful deposits	(13.72)	(13.72)	(13.66)
	429.93	411.21	407.81
Interest accrued			
- Employee loans			
Secured, considered good	84.88	109.31	139.47
Unsecured, considered good	-	-	-
Unsecured,considered Doubtful	22.78	22.78	22.78
	107.66	132.09	162.25
Less: Provision for doubtful interest accrued on employee loans	(22.78)	(22.78)	(22.78)
	84.88	109.31	139.47
Interest Accrued from Related Party	-	-	-
	514.81	**520.52**	**547.28**
Current			
Interest accrued on:			
- Fixed deposit	107.55	249.64	240.88
- Employees' Loans			
Secured, considered good	18.31	27.09	23.33
Unsecured, considered good	-	-	-
	18.31	27.09	23.33
Interest Accrued from Related Party		-	-
Insurance claim receivable	1,348.81	896.27	1,330.89
Less: Provision for Doubtful Advance	(52.75)	(52.75)	(52.75)
	1,296.06	843.52	1,278.14
Fixed deposit accounts / Current accounts with Banks	68.09	65.37	52.76
(Against amount received from DGCA for Project, including Interest accrued)			
Contract Assets	1,079.24	1,208.89	1,096.80
Less : Provision for Expect Credit Losses	(947.50)	(947.50)	(812.44)
	131.74	261.39	284.36
Others	230.42	304.40	203.59
Less : Provision for Doubtful from Others	(9.97)	(9.97)	(9.97)
	220.45	294.43	193.62
	1,842.20	**1,741.45**	**2,073.09**
	2,357.01	**2,261.97**	**2,620.37**

NOTE 8
OTHER ASSETS*

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2022	March 31, 2021	April 1, 2020
Non-Current			
Capital Advances	-	-	-
Advances to others			
Unsecured, considered good	221.39	22.47	13.96
Unsecured, considered doubtful	65.18	65.24	65.11
	286.57	87.71	79.07
Less: Provision for doubtful advances	(65.18)	(65.24)	(65.11)
	221.39	22.47	13.96
Advances Income tax (Net of provisions)	6,809.45	6,526.33	6,774.15
Less :Provision for doubtful Advances	(95.53)	(95.53)	(95.53)
	6,713.92	6,430.79	6,678.62
Prepaid expense	-	0.01	0.02
Other receivables	144.15	50.16	27.40
Less: Provision for doubtful receivables	(2.92)	(2.92)	(2.92)
	141.23	47.24	24.48
Total	**7,076.54**	**6,500.51**	**6,717.09**
Current			
Advances to others			
Unsecured, considered good	1,754.38	1,938.79	1,635.42
Unsecured, considered doubtful	127.83	127.83	127.12
	1,882.21	2,066.62	1,762.54
Less: Provision for doubtful advances	(127.83)	(127.83)	(127.12)
	1,754.38	1,938.79	1,635.42
Unsecured, considered good			
'Balance with statutory authorities	2,219.54	2,342.20	5,016.98
Less: Provision for doubtful advances	(49.99)	(32.65)	(32.65)
	2,169.55	2,309.55	4,984.33
MAT Credit entitled		-	-
Less: MAT Credit Availed	-	-	-
		-	-
'Prepaid expense	578.15	655.11	1,235.47
Others	1.48	1.48	1.48
Total	**4,503.56**	**4,904.93**	**7,856.70**

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

NOTE 9
INVENTORIES

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2022	March 31, 2021	April 1, 2020
(Certified and valued by the management)			
Stores & Spares	9,499.68	8,946.99	8,802.25
Goods under inspection	1,008.04	26.09	196.02
Less: (i) Provision for Non moving stores & spares	(3,805.74)	(3,687.78)	(3,404.84)
(ii) Provision for shortage of inventory	(169.01)	(72.46)	(96.75)
(iii) Provision for Impairment in value	(453.14)	(453.13)	(453.14)
	6,079.83	4,759.71	5,043.54
Repairable & Rotables Spares	1,575.57	1,575.57	1,575.57
Less: (i) Obsolescence Reserve	(1,436.26)	(1,436.26)	(1,436.26)
(ii) Provision for impairment in value	(139.31)	(139.31)	(139.31)
	-	-	-
Test tools equipment (at Cost)	125.49	26.28	47.92
Less: Provision for Impairment	(0.96)	(0.37)	-
	124.53	25.91	47.92
Gem Modules	501.37	501.37	501.37
Less: (i) Obsolescence Reserve	(447.21)	(447.21)	(447.21)
(ii) Provision for impairment in value	(54.16)	(54.16)	(54.16)
	-	-	-
Goods in transit (at cost)	4.35	119.32	-
Aviation Turbines Fuel (at cost)	22.78	19.30	15.54
Total	**6,231.49**	**4,924.24**	**5,107.00**

NOTE 10
TRADE RECEIVABLES

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2022	March 31, 2021	April 1, 2020
Unsecured, considered good	19,204.94	17,300.10	16,465.79
Doubtful	9,369.92	9,675.20	7,985.31
	28,574.86	26,975.30	24,451.10
Less: Allowance for Doubtful Debt / Expected Credit Losses	(9,369.92)	(9,675.20)	(7,985.31)
Total	**19,204.94**	**17,300.10**	**16,465.79**

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

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

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

(iv) Of the trade receivable balance as at March 31, 2022 Rs.17297.49 Lakhs is due from Six customers (as at March 31, 2021 Rs. 18123.54 Lakhs were due from Six customers, as at April 1,2020 Rs.13088.97 Lakhs were due from six customers). There are no other customer who represent more than 5% of the total balance of trade receivable.

NOTE 11
CASH AND CASH EQUIVALENTS

(Rupees in Lakhs)

Particulars		As at		
		March 31, 2022	March 31, 2021	April 1, 2020
11.1	Balances with banks:			
	- On current account	609.56	3,585.15	2,859.10
	- Export earning foreign currency account	438.18	-	1,091.52
	- Flexi deposit accounts	2,016.41	1,644.98	1,409.37
	- Fixed deposit with original maturity of less than 3 months	-	-	-
	Less: Temporary Bank Overdraft	(413.11)	-	-
	Cash on hand	5.91	3.98	5.44
	Total	**2,656.95**	**5,234.11**	**5,365.43**
11.2	Other bank balances			
	- Fixed deposit accounts	717.17	3,854.23	2,365.11
	(Original maturity more than 3 months)			
	- Margin money with banks	4,483.66	4,895.83	4,064.59
	Total Other bank balances	**5,200.83**	**8,750.06**	**6,429.70**
	Total	**7,857.78**	**13,984.17**	**11,795.13**

NOTE 12
LOANS

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2022	**March 31, 2021**	**April 1, 2020**
Current			
Loans to related parties	-	-	-
Others			
- Loans & Advances to employees			
Secured, considered good	76.17	63.59	180.20
Unsecured, considered good	254.81	195.29	230.09
Unsecured, considered doubtful	14.46	14.46	14.46
	345.43	273.34	424.75
Less: Provision for doubtful loans & advances	(14.46)	(14.46)	(14.46)
	330.98	258.88	410.29
Total	**330.98**	**258.88**	**410.29**

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

NOTE 13
CURRENT TAX ASSETS & LIABILITIES

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2022	**March 31, 2021**	**April 1, 2020**
Current tax assets (Net)	1,340.27	2,440.39	1,505.00
Current tax liabilities (Net)	-	(90.00)	-
Total	**1,340.27**	**2,350.39**	**1,505.00**

(a) 'The major components of income tax expenses for the years ended March 31, 2022, March 31, 2021 & as at April 1, 2020 are:

Profit or Loss Section:

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2022	**March 31, 2021**	**April 1, 2020**
Current income tax:			
Current income tax charge	-	90.00	-
Adjustments in respect of current income tax of previous year	-	-	191.21
Deferred tax:			
Relating to origination and reversal of temporary differences	885.14	(1,074.26)	(7,721.27)
	885.14	**(984.26)**	**(7,530.06)**

OCI section

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2022	March 31, 2021	March 31, 2020
Unrealised gain / (loss) on FVTOCI equity securities		-	-
Net loss / (gain) on Diminution in value of Investment	-	-	(24.23)
Net loss / (gain) on remeasurements of defined benefit plans	(25.00)	(181.63)	(205.57)
Income tax charged to OCI	**(25.00)**	**(181.63)**	**(229.80)**

(b)Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2022, March 31, 2021 and April 1, 2020

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2022	March 31, 2021	April 1,2020
Accounting profit before tax	(427.72)	(2,244.71)	(8,376.32)
Income tax on above (March 31, 2022: 19.24%)	-	-	-
Add: Tax Effect of Expenses that are not deductible in determing Book profit			
Non-deductible expenses for tax purposes:			
- Provision for Doubtful/Debts & Advance	-	-	-
- Provision for Non Moving /Shortage of Inventory	-	-	-
- Remeasurement of the defined benefit Obligation shown in OCI	-	-	-
- Expenses / Provision not allowed under the Provisions Income Tax	-	-	-
- Change in Profit before tax for the F Y 2015-16 due to Ind-AS effect and component Acccounting	-	-	-
- Tax effect of prior period items Charged to retained earning	-	-	-
- Interest on Income Tax U/S 234(B)& 234 (C)under Income Tax Act 1961	-	-	-
Income tax expenses reported in the statement of profit and loss	-	-	-

NOTE 14.1
EQUITY SHARE CAPITAL

(Rupees in Lakhs, except as otherwise stated)

Particulars	As at		
	March 31, 2022	March 31, 2021	April,1 2020
Share capital			
(A) Authorised, Issued, Subscribed and paid-up share capital and par value per share			
Authorised Capital			
5,60,000 (PY 5,60,000) Equity Shares of RS.10,000/- each	56,000.00	56,000.00	56,000.00
Issued Capital, Subscribed & Fully paid up			
5,57,482 (PY 5,57,482) Equity shares of Rs.10,000/- each	55,748.20	55,748.20	55,748.20
Paid up capital			
5,57,482 (PY 5,57,482) Equity shares of Rs.10,000/- each	55,748.20	55,748.20	55,748.20
	55,748.20	**55,748.20**	**55,748.20**

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

(Rupees in Lakhs, except as otherwise stated)

Particulars	As at March 31, 2022		As at March 31, 2021		As at April 1, 2020	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Number of shares outstanding at the beginning of the period	5,57,482	55,748.20	5,57,482	55,748.20	5,57,482	55,748.20
Number of shares outstanding at the end of the period	5,57,482	55,748.20	5,57,482	55,748.20	5,57,482	55,748.20
Changes during the year	-	-	-	-	-	-

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

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

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

Particulars	As at March 31, 2022		As at March 31, 2021		As at April 1, 2020	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
President of India	2,84,316	51%	2,84,316	51%	2,84,316	51%
ONGC Ltd	2,73,166	49%	2,73,166	49%	2,73,166	49%

NOTE 14.2
OTHER EQUITY

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2022	March 31, 2021	April 1,2020
General reserve	2,050.00	2,050.00	2,050.00
Retained earnings	40,091.06	41,901.19	43,645.76
Reserve for equity instruments through other comprehensive income	(95.65)	(95.65)	(95.65)
Reserve for debt instruments through other comprehensive income	-	-	-
Share Application Money Received Pending Allotment	-	-	-
Other Reserves	(792.95)	(737.82)	(337.29)
Total	**41,252.46**	**43,117.72**	**45,262.82**

NOTE 15
BORROWINGS

(Rupees in Lakhs)

Particulars	Maturity	As at		
		March 31, 2022	March 31, 2021	March 31, 2020
Non-current borrowings				
Secured Term loans				
- NTPC Ltd.	April, 2022		67.60	853.10
Total		**-**	**67.60**	**853.10**
The maturity of borrowings is summarized as under:				
-Not later than one year		67.60	785.49	739.86
		67.60	**785.49**	**739.86**
Current maturities of Long term Debt				
- Later than one year and not later than five years			67.60	853.10
- Later than five years		**-**	**67.60**	**853.10**

NOTE 16
PROVISIONS

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2022	March 31, 2021	April 1,2020
Non Current			
Provision for employee benefits			
- Post retirement medical benefit scheme	2,476.58	2,089.46	1,733.18
- Earned leave	1,125.10	1,418.24	1,435.83
- Half Pay leave	773.04	776.63	724.29
- Others	16.84	18.57	19.75
Total	**4,391.56**	**4,302.90**	**3,913.05**

NOTE 17
DEFERRED TAX LIABILITIES

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2022	March 31, 2021	April 1,2020
Deferred taxes liabilities (Net)	8,933.98	8,073.84	9,329.72
	8,933.98	**8,073.84**	**9,329.72**

(a) The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2022	March 31, 2021	April 1,2020
Deferred income tax liabilities:			
- Accelerated depreciation for tax purposes	24,897.00	19,490.34	19,157.60
Total deferred income tax liabilities	**24,897.00**	**19,490.34**	**19,157.60**
Deferred income tax assets:			
- Employee benefits	2,890.96	3,014.71	2,431.82
- Non-moving inventory	2,029.81	1,962.69	2,014.73
- Provision for diminution in value of investment	90.27	90.27	90.27
- Carried forward unabsorbed depreciation	1,699.98	2,591.63	3,251.92
- Doubtful debt/advances	3,367.82	3,457.36	1,532.97
- Prior Period Adjustment identified in the year of Transition	-	-	205.42
- Lease Liability	**5,856.02**	**271.67**	**272.56**
- Provision for Loss at Lakshadweep & Others	28.17	28.17	28.17
Total deferred income tax assets	15,963.03	11,416.50	9,827.87
Deferred income tax assets after set off	-	-	-
Deferred income tax liabilities after set off	**8,933.98**	**8,073.84**	**9,329.72**

(b) Reconciliation of deferred income tax liabilities (Net)

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2022	March 31, 2021	April 1,2020
Opening balance as on 1 April			
Tax (income)/expenses during the period recognized in profit or loss	885.14	(1,074.26)	(7,721.27)
Tax (income)/expenses during the period recognized in OCI	(25.00)	(181.63)	(229.80)
Closing balance as on 31 March	**860.14**	**(1,255.89)**	**(7,951.07)**

NOTE 18
OTHER FINANCIAL LIABILITIES

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2022	**March 31, 2021**	**April 1,2020**
Non-Current			
Security deposits / Earnest Money Deposit	45.51	47.04	42.56
Lease Liabilities	18,118.70	708.85	831.16
	18,164.21	**755.89**	**873.72**
Current			
Current Maturities of Long Term Debt	67.60	785.49	739.86
Payable on purchase of Fixed Assets	1,002.10	108.55	7.04
Payables for Capital Expenses	19.05	19.05	19.01
Payable to Employees*	3,062.95	3,293.21	3,569.29
Gratuity Payable	842.49	1,227.28	581.86
Security/ Earnest money deposit	105.68	111.83	102.28
Lease Liabilities	650.59	161.88	42.42
Advance from DGCA Against Project (including interest)	1,229.20	1,226.18	1,213.84
Less: Amount spent on project	(1,160.77)	(1,160.77)	(1,160.77)
	68.43	65.40	53.06
	5,818.89	**5,772.70**	**5,114.82**
Total	**23,983.10**	**6,528.59**	**5,988.54**

* Payable to Employees includes Rs.3.52 Lakhs (P.Y. Rs.0.96 Lakhs) payable to Key Managerial Personnel of the company.

NOTE 19
TRADE PAYABLES*

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2022	**March 31, 2021**	**April 1,2020**
Current			
Outstanding dues of micro & small enterprises	91.86	26.26	29.61
Outstanding dues of trade payables other than micro & small enterprises	6,429.17	5,984.09	4,008.51
Total	**6,521.03**	**6,010.35**	**4,038.12**

*Trade payables are non-interest bearing and are normally settled within 120 days.

NOTE 20
OTHER LIABILITIES

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2022	March 31, 2021	April 1,2020
Non Current			
	-	-	-
	-	-	-
Current			
Security/ Earnest money deposit	129.96	111.38	107.96
Contract Liability	63.89	56.23	797.61
Statutory Liabilities	1,359.77	1,466.86	1,926.65
Other Payables	2,969.01	2,899.96	1,830.32
	4,522.63	**4,534.43**	**4,662.55**
Total	**4,522.63**	**4,534.43**	**4,662.55**

NOTE 21
PROVISIONS

(Rupees in Lakhs)

Particulars	As at		
	March 31, 2022	March 31, 2021	April 1,2020
Current			
Employee benefits:			
- Post retirement medical benefit scheme	6.97	4.82	3.14
- Earned leave	263.79	234.36	307.69
- Half Pay leave	149.35	137.49	112.71
- Others	3,611.74	3,762.78	2,875.83
	4,031.85	4,139.45	3,299.38
Provision for Loss at Lakshadweep	89.12	89.12	89.12
Provision for Corporate Social Responsibility	204.62	204.62	204.62
Provision for Loss at Daman	1.16	1.16	1.16
Total	**4,326.75**	**4,434.35**	**3,594.28**

NOTE 22
REVENUE FROM OPERATION

(Rupees in Lakhs)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Rendering of services		
Helicopter Hire Charges	39,045.76	37,520.73
Less: Deduction for Non-Provision of Helicopters (AOG)	(822.56)	(494.64)
	38,223.20	37,026.09
Other operating revenues		
Income from operations & maintenance contracts	3.00	2.24
Revenue from Rohini Heliport operations	-	
Training fee & other recoveries	145.37	197.15
Heliport Development Consultancy	141.20	12.00
	289.57	211.39
Total	**38,512.77**	**37,237.48**

NOTE 23
OTHER INCOME

(Rupees in Lakhs)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Interest income:		
-Deposits with Banks	363.22	474.97
-Loans to Employees	8.55	14.44
-Other	41.49	112.20
	413.27	601.61
Provisions no longer required- written back	1,367.32	136.89
Surplus on settlement of Insurance Claims	-	780.06
Liquidated damages (Purchase)	22.97	127.22
Profit on sales of Fixed Assets	-	6.08
Exchange fluctuations (Net)	663.93	895.34
Miscellaneous Income	240.88	334.12
Total	**2,708.37**	**2,881.32**

NOTE 24
HELICOPTER OPERATIONAL & MAINTENANCE EXPENSE

(Rupees in Lakhs)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Helicopter Maintenance expenses	5,373.16	6,544.02
Fuel expenses	1,701.67	1,107.99
Insurance expenses	3,733.95	2,719.64
Landing, Parking and other expenses	241.13	194.61
Helicopter Lease charges	318.93	563.88
Liquidated damages	291.56	1,016.83
Royalty /Commission to Shrine Board	0.08	0.14
Provision for Non-Moving Inventory/ Life Expired Items	117.97	282.93
Provision for Impairment of Fixed Assets	-	-
Fixed Assets written off	267.27	440.37
Storage, Handling & Demurrage Charges	64.31	61.90
Freight, Transportation & Cartage	118.72	69.64
Provision for Inventory Shortage /excess	96.56	-
Other operating expenses	69.76	29.51
Total	**12,395.07**	**13,031.46**

NOTE 25
EMPLOYEE BENEFITS EXPENSE

(Rupees in Lakhs)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Salaries, Wages & other benefits	14,659.93	15,084.75
Contribution to Provident, Pension & Gratuity fund	1,010.51	1,438.10
Staff welfare	31.11	32.96
Other Staff expenses	127.46	192.58
Total	**15,829.01**	**16,748.39**

NOTE 26
FINANCE COST

(Rupees in Lakhs)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Interest	33.62	77.23
Interest on Lease Liabilities	511.75	118.47
Total	**545.38**	**195.69**

NOTE 27
DEPRECIATION & AMORTIZATION EXPENSE

(Rupees in Lakhs)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Depreciation on Tangible Assets	7,080.78	5,850.30
Amortisation of Intangible Assets	-	-
Amortisation of ROU Assets	2,257.30	748.90
Total	**9,338.07**	**6,599.20**

NOTE 28
OTHER EXPENSES

(Rupees in Lakhs)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Repairs & Maintenance		
-Building	42.49	94.38
-Equipment	44.08	59.76
-Others	83.79	115.45
	170.35	269.59
Rent	340.64	146.82
Loss on modification of Lease	0.43	-
Travelling & Conveyance	1,148.05	1,578.80
Crew & Staff Training	406.60	440.63
Bank charges	83.78	43.32
Electricity & Water expenses	151.62	168.95
Telephone, Fax & Postage	63.06	77.75
Advertisement & Publicity	39.71	9.66
Printing & Stationery	49.08	47.89
Vehicle Running & Maintenance	23.70	19.10
Heliport Development Expenses- (RCS)	93.47	29.16
Training Institute Expenses	4.77	10.21
Auditors Remuneration		
-Statutory Audit Fees	14.74	13.10
-For other matters	-	-
-Reimbursement of expenses	0.34	0.62
	15.08	13.72
Rates, Fees & Taxes	250.49	260.18
Impairment of Debtors & Advances	-	-
Provision for Expected Credit Loss	241.08	1,919.84
Provision for Loss at Detachment	-	-
Loss on Sale of Assets	0.24	-
Insurance Expenses	51.53	44.88
Other expenses	407.64	708.28
Total	**3,541.32**	**5,788.78**

NOTE 29
EXCEPTIONAL ITEMS

(Rupees in Lakhs)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
	-	-
Total	-	-

NOTE 30
OTHER COMPREHENSIVE INCOME

(Rupees in Lakhs)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Employees Benefits Expenses	(80.12)	(582.16)
Provision for Diminution in Value of Investments	-	-
Total	**(80.12)**	**(582.16)**

NOTE 31
EARNINGS PER SHARE (EPS)

(Rupees in Lakhs)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Profit/(Loss) attributable to equity holders on Continued Operations	(1,367.98)	(1,660.99)
Basic EPS (Rs.)	(245)	(298)
Diluted EPS (Rs.)	(245)	(298)
Profit/(Loss) attributable to equity holders on Discontinued Operations	(498.27)	(484.12)
Basic EPS (Rs.)	(89)	(87)
Diluted EPS (Rs.)	(89)	(87)

32. ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

(Annexed to and forming part of Annual Accounts for the year ended 31 March, 2022)

I. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account / investments (net of advances paid) and not provided for: -

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Capital commitments	470.29	514.98

II. Contingent Liabilities

a) Guarantees given

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Counter guarantees given to Banks	3983.62	4302.42

b) Letters of Credit -

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Letters of Credit	558.86	755.18

c) Tax Contingencies –

Amounts in respect of demands assessed by revenue authorities on the company, in respect of income tax, which are in dispute, have been tabulated below:

i. Income Tax

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Income Tax demands contested by the Company at ITAT/ CIT(Appeals)	3374.35	7035.03

The income tax department has withheld aforesaid amounts from amount deposited against demands/ refunds due to the Company for various years. In many cases, Income tax demands at the time of initial assessment by the assessing officer have been waived off by the Appellate authorities. Most of the tax demands relate to interest payable on Government of India loan which are pending before ITAT. In this connection reference is invited to Note no. III. Further, during the financial year 2021-22 the contingent liability has been reduced due to favourable decision received by the Company for the AY 1997-98 from ITAT for which appeal effect is pending with assessing officer.

ii. Value Added Tax -

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Demand Notice for payment of VAT for the period 2006-07 to 2009-10 including penalty & interest	55558.06	53533.85

The demand relates to financial years 2006-07 to 2009-10 for transfer of right to use helicopters by some of the customers raised by Sales Tax Department of Delhi.

The Company had replied that since it is paying earlier tax on such transactions, demand for payment of VAT does not arise. The matter was heard by Hon'ble VAT Tribunal Delhi on 15.5.2019 wherein order was reserved. Subsequent to the above, the Judicial Member who was supposed to pass the order had retired without passing the same. Now, again the matter has been heard afresh and the order has been reserved on 03.10.2022.

iii. Service Tax -

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Show Cause Notice from Service Tax Department for the period April, 2009 to June, 2017	7435.07	7346.81

Show Cause Notice relates to the period April, 2009 to June, 2017 from the service tax department. Company is contesting against the show cause notice issued by the Service tax department with Commissioner of Service Tax for Demand Notice of Rs. 18.59 Lakhs, at Tribunal for Demand Notice of Rs. 2431.09 Lakhs, at Commissioner of CGST & CX(Appeals) for Demand Notice of Rs. 364.40 Lakhs and for Demand Notice of Rs. 265.15 Lakhs adjudication is awaited, Original-in-Order dated 06.07.2021 has been received for payment of service tax of about Rs. 4355.84 Lakhs including Penalty and Interest against Helicopter provided on lease to North Eastern States for the period 2014-15 to 2016-17 however, the company expects that there will be no significant impact on the results of operations or cash flows, based on opinion received from a consultant.

Further, the management is of the opinion that Mega Exemption Notification No 12/2017, under CGST Act is applicable to the company, hence, no GST is being charged by the company for its operations in North Eastern States except in contracts with State Government of Assam, Oil India etc.

d) Litigations -

(Rupees in Lakhs)

Particulars		31 March, 2022	31 March, 2021
i)	Court cases / cases under Arbitration	3224.37	2517.21
ii)	Others Matters	109.54	836.07

e) The Company's pending litigations comprise of claims against the company and proceedings pending with tax/statutory/Government authorities. The company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed contingent liabilities, wherever applicable, in its financial statements. The company does not expect outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of the above are determinable only on receipt of judgments/decisions from various forums/authorities.

III. Claim of Government of India

In the year 1986, the Company had acquired a fleet of 21 Dauphin and 21 Westland Helicopters at a project cost of Rs. 25090.00 Lakhs which was to be funded by the Government of India (GoI) as its contribution to the equity of the Company. However, the Company was provided with equity amounting to Rs. 11376.00 Lakhs only which included Rs. 2450.00 Lakhs equity contribution from ONGC. The company utilized such capital contribution along with Rs. 622.97 Lakhs from internal resources and utilized such capital contribution towards the projected cost leaving a balance of Rs. 13091.03 Lakhs. The balance consideration of Rs. 13091.03 Lakhs was paid by Government of India to the suppliers of helicopters and treated as amount due to Government of India. The Company has accounted for Rs. 33931.19 Lakhs towards interest on said dues / liability upto 31.03.2001 and has not made any provision towards interest after 31.03.2001 since the Ministry of Finance has confirmed total dues recoverable from the Company upto 31.03.2016 at Rs 47022.22 Lakhs representing principal of Rs 13091.03 Lakhs and interest of Rs 33931.19 Lakhs. The Company had made representation to the Govt. of India through the Ministry of Civil Aviation (MOCA) from time to time for waiver of said liability and accrued interest on the basis that the project for import of 42 helicopters, the whole amounts was to be funded by GoI through equity contribution. In this connection the Company again submitted details of the proposal in January 2016 to MOCA for taking up the matter with Ministry of Finance. In this regard, cabinet committee Note (CCN) was put up by Ministry of Civil Aviation to cabinet for its consideration.

Finally, long awaited decision was received during the F Y 2016-17 whereby the Ministry of civil aviation vide letter dt.01.12.2016 conveyed decision of the cabinet approving settlement of the claim of Ministry of Finance on account of import of westland helicopters by providing budgetary provision of Rs. 13091.03 Lakhs to Pawan Hans Ltd. towards repayment of Rs. 13,091.03 Lakhs to the Government and freezing of interest at 01.04.2001 level and waiving of Rs. 33,931.19 Lakhs dues of Pawan Hans Ltd towards Ministry of Finance. Accordingly, Ministry of Civil Aviation vide sanction order dated 18.01.2017 conveyed sanction of Rs. 13091.03 Lakhs to Pawan Hans Ltd as budgetary provision as equity investment in Pawan Hans Ltd for the year 2016-17. This amount has been used by Pawan Hans Ltd for making payment towards principal amount of dues of Rs.13091.03 Lakhs into the account of CAAA at RBI. The said amount was transferred to Pawan Hans Ltd account on 20.01.2017 by Ministry of civil aviation. Thereafter, Rs. 13091.03 Lakhs was deposited into the account of CAAA at RBI on 04.02.2017 towards settlement of the claim of Ministry of Finance.

IV. Disposal of Westland assets

a) Subsequent to the grounding of Westland fleet, the Government of India conveyed its decision on 18th January, 1993 that the entire Westland fleet, together with the related inventory may be offered for sale through global tender and that the sale proceeds may be made available for utilization of poverty alleviation programmes with mutual consultation between the Governments of India and the Government of United Kingdom. However, consequent to an unfavorable response to such global tender, the Government permitted the Company on 12th May, 1994 to dispose of the Westland assets through negotiations with parties which may be interested in purchasing the same. The Government of India also appointed a Steering Committee to oversee the disposal of Westland assets.

b. Pending disposal of the Westland helicopters (including one damaged helicopter) and the related inventory, these assets have been stated at their book value aggregating Rs. 2239.00 Lakhs. The Company had in the earlier years, as a matter of prudence, made 100% provision equivalent to the book value against possible losses on disposal of Westland assets. After adjusting the book value of Rs. 723.00 Lakhs relating to disposal of such assets in 1999-2000, the residual provision of Rs. 1516.00 Lakhs is being carried forward.

c. During the financial year 1999-2000, the Company had entered into an agreement with a UK firm AES Aerospace Ltd. with the Government approval for sale of Westland assets as a package deal for a lump sum price of Pounds Sterling 9, 00,000. It was agreed that the entire package should be lifted in not more than two consignments with payments corresponding to the approximate value of the consignment to be shipped. The first shipment was dispatched in December 1999 and the Company had realized sale consideration of Pounds Sterling 4, 50,000 (Rs. 322.00 Lakhs) in January 2000, which was immediately deposited with the Government of India as per directions of the Administrative Ministry. The second shipment could not be dispatched in view of the dispute created by the Buyer. The Company had initiated arbitration proceedings against the Buyer in terms of the agreement for specific performance and recovery of damages for violation of various contractual obligations. However, in view of the buyer went into Liquidation due to poor financial status, the Hon'ble Supreme Court on 13th August 2012 disposed off the petition for arbitration.

d. Necessary accounting adjustment relating to the Westland assets sold (Cost Rs. 5146.00 Lakhs, W.D.V. Rs. 723.00 Lakhs) during the financial year 1999-2000 was made in the books of accounts of that year, treating the transactions carried out under first shipment as a completed sale. In the absence of complete quantitative details of inventory items sold and those collected from the Warehouse in Mumbai, these figures were considered on provisional basis. As the contract for sale of Westland assets was on lump-sum price basis, the loss on disposal of such items was determined by deducting the aggregate written down value of the 9 helicopters, test bed and inventory items sold under first shipment from the sale consideration of Pounds Sterling 4,50,000/- (Rs. 322.00 Lakhs) in the absence of item-wise sale price. The same was accounted for during the financial year 1999-2000**.**

e) Part of the Westland helicopter lying at PHL's western region premises and the inventory items while under transfer during the financial year 1999-2000 from the Delhi office to Mumbai office of the Company by the appointed transporter of the Buyer, were diverted under the instructions of the Buyer and were lying in warehouse at Mumbai. The estimated initial acquisition cost of Westland inventory including capital items lying at Warehouse is Rs. 3250.00 Lakhs (written down value- Rs. 450.00 Lakhs). The SLP filed by warehousing company and the freight forwarders was dismissed by the Hon'ble Supreme Court in 2012. Thereafter, transfer of inventory items from the warehouse of Sagar Warehousing Corporation to company's western region was carried out. Such helicopters along with the remaining inventory items are lying with the Company (which are kept in boxes but not physically verified during the year) together forming part of the second shipment have been carried forward as per the book value of Rs. 647.00 Lakhs though fully provided as per para IV-b) above. Request for reconstitution of the Steering Committee for disposal has been made to Ministry of Civil Aviation. The Ministry has directed for valuation report of the balance Westland assets and the Valuer had given value of Rs. 25.73 Lakhs. However, the Ministry has again vide letter dated 07.11.2014 directed for re-evaluation of these assets by other Valuer. The report of second Valuer has been received at Rs. 26.53 Lakhs and the same has been submitted to MOCA, for reconstitution of steering committee for disposal.

MoCA vide order dated 27.09.2017 has reconstituted Steering Committee for disposal of Westland helicopters assets and the reconstituted Committee comprises of CMD-PHL, JS(Administering PHL)-MoCA, JS&FA-MoCA, Director (EEC)-Deptt. of Economic Affairs, JS (ED&MER)-Ministry of External Affairs and AE (M)-Western Command, IAF as Members and ED (Tech. & Ops)-PHL as Member Secretary. Further, vide letter dated 26.6.2020 it was conveyed that Steering Committee Member earlier stated as JS (ED&MER)-Ministry of External Affairs may now be read as AS (ER)- Ministry of External Affairs.

The Westland helicopters assets & inventory earmarked for disposal are lying in the premises of PHL at Juhu, Mumbai and occupying a space of 1340.88 sq.mtr. for which AAI is charging rent from PHL. These assets are to be disposed of under the supervision of Steering Committee.

PHL has been representing to MoCA that charging PHL for the area occupied by Westland helicopters scrap is not fair and puts additional burden to the tune of Rs. 85 lakhs plus GST per annum upon PHL. Accordingly, it was decided by MoCA not to include the area of 1340.88 sqm occupied by the scrap of Westland helicopters at Juhu Airport Complex in the Umbrella Agreement signed between PHL and AAI w.e.f. 1.4.2020. It was also decided to resolve the issue of scrap in collaboration with PHL and AAI so that the land can be productively utilized by AAI. This decision was conveyed by MoCA vide letter dated 17.8.2021.

V. Residential Flats/Quarters

a. The Company had constructed and capitalized 242 flats during 2002-2003 at a cost of Rs. 2270.68 Lakhs on land measuring 35,490 Sq mtrs at Juhu Airport given by Airport Authority of India (AAI) for a period of 25 years. The company has allotted 50 flats out of 242 flats to AAI as per joint development agreement in lieu of lease rentals for the said land and the cost of construction of such flats as estimated by the project architect amounts to Rs. 595.00 Lakhs.

b. The Company had purchased 6 residential flats in May 1998 for the employees from MHADA, Mumbai. Though the possession was taken based on the letter of allotment, the Company has on provisional basis, provided stamp duty and registration and is subject to final payment on the execution of the appropriate conveyance deed in favor of the society. Some of the societies have gone in litigation against MHADA in Mumbai High Court on the issue of differential pricing. However, in line with the requirement of Ind AS 37, the company has not provided for the stamp duty in their books at present value as on 31 March 2020. The company has sent letters to the Chief Collector, MHADA office for the current value of the stamp duty. However, we are yet to receive any response from the Chief Collector. If, and when, there is any need to increase the amount in the books of accounts post receipt of their reply, the same shall be done in the respective year.

VI. Property, Plant & Equipment

a. Rotables and Repairable with gross cost of Rs. 5706.67 Lakhs (March 31, 2021 Rs. 7152.89 Lakhs) and WDV of Rs. 3926.50 Lakhs (March 31, 2021 Rs. 5059.41 Lakhs) are lying with foreign equipment suppliers for repairs as at 31.03.2022. Out of these, Rotables with gross cost of Rs. 1410.78 Lakhs (March 31, 2021 Rs. 833.82 Lakhs) and WDV of Rs 902.45 Lakhs (March 31, 2021 Rs. 623.00 Lakhs) have been received back after 31 March, 2022. Confirmation from concerned parties for remaining Rotables which are still lying with them has been obtained. Efforts are being made to receive the items duly repaired / overhauled by the Original Equipments Manufacturers (OEM).

b. The company is conducting physical verification of Fixed Assets in phased manner to cover all items over a period of three years. Physical verification of Fixed Assets was conducted in during the financial year under review by independent Agency and its reconciliation with fixed assets register is in progress.

c. The Company is of the opinion that since helicopters owned by the company are certified for airworthiness by DGCA on periodic/ annual basis and have earned revenue during the year under review, there is no impairment of Helicopter.

d. The management is of the view that impairment testing of assets is not required, as the carrying value of its assets does not exceed their respective recoverable value.

e. During the year, company has reversed the write off of certain helicopter components having written down value of Rs. 1263.42 Lakhs (net) having prior period effect on property plant and equipment as disclosed under Note No.3.1 of the financial statements. These components were already scrapped much prior to adoption of Ind AS, however they were erroneously written off from property, plant and equipment in the previous years as well. Out of the above figure Rs. 1287.55 Lakhs has been credited to Retained earnings of FY 2019-20 while there has been increased on depreciation of FY 2020-21 by Rs. 24.13 Lakhs and same has been debited to previous year's Statement of Profit and Loss.

VII. Inventories

1) On physical verification of inventories during the year following shortages/ excess were noticed.

(Rupees in Lakhs)

2021-2022		2020-2021	
Shortage	**Excess**	**Shortage**	**Excess**
66.90	Nil	Nil	Nil

Appropriate adjustments have been made in the financial statements for the above amounts. However, reconciliations of physical balance and book records are in progress.

2) On review of inventory of Non-Moving stores, spares and consumables provision of Rs. 117.97 Lakhs (March 31, 2021 Rs. 282.93 Lakhs) has been made during the year under review as per the approved accounting policy.

3) The price trend in the Aviation Sector is different as compared to price trend in other industry, besides the sale/purchase price for pre-owned helicopter stores/spares/consumables is not directly available in the open market. Further, the aviation sector is growing rapidly while vendors in the market are very limited. Hence, the value of inventory has been accounted for on cost at moving weighted average price.

VIII. Secured Loans

(Rupees in Lakhs)

S. No.	Loan From	Limit Sanctioned / Date	Draw-down upto 31.3.2022	Repayment upto 31.3.2022	Interest rate (Monthly rest)	Payment Schedule	Secured by
1	NTPC Ltd.	5430.00 29/04/2010	5283.63	5216.03	6% per annum up to 18/06/2019 & and 12.20% per annum from 19/06/2019 to 27/11/2019 and 6% per annum from 01/12/2019 onwards.	Balance payable upto April, 2022	Hypothecation of Dauphin N3 helicopter

NTPC Vide its Letter No.01/CP/LH/ dt.18/04/2019 terminated the agreement /MOU and requested the company to repay its entire outstanding amount of borrowings not later than 18/06/2019 with applicable interest rate after which prevailing commercial interest rate which is 12.20% shall be applicable on the outstanding loan amount. The above agreement was revived on 28/11/2019 on same terms and conditions.

IX. Confirmations for balances as at 31st March 2022 from Trade Receivables, Trade Payables and Loans & Advances/ Deposits were circulated, but no response received.

X. The management is in the process of reconciling figures of services / Sales and Services Availed/ Purchases reported in GST returns with those appearing in the books of accounts and GSTR-2A.

XI. Employees Remuneration and other benefits.

a) The Board of Directors in its 154th Board meeting had approved the license related allowances w.e.f. 01.04.2016 to Pilots and AMEs, the provision of Rs. 1147.39 Lakhs was made in FY 2016-17. During the F.Y. 2017-18, the cabinet note for approval for revising the additional license related allowance to Pilots and AMEs w.e.f. 01/01/2017 was put up to MoCA with time frequency of Pay revision as per DPE. The provision for License related allowance was Rs. 3753.00 Lakhs upto FY 2020 21. The management reviewed this provision during FY 2021 22 and revised the provision based on the actual number of Pilots /AMEs in each respective year. Accordingly the excess provision of Rs 662.00 lakhs has been reversed in FY 2021 22 and provision of Rs 511.00 Lakhs for FY 2021 22 has been created in books of account. The total Provision created for license related additional allowances to Pilots and AMEs upto March 2022 is Rs. 3602.00 Lakhs.

b) Retirement Benefit Plans

The following table sets out status of retirement benefit plans recognized in the financial statements:-

(Rupees in Lakhs)

Particulars	2021-22			2020-21		
	Opening Liability	Created/ Adjusted during the Year	Closing Liability	Opening Liability	Created/ Adjusted during the Year	Closing Liability
Earned Leave	1652.60	(263.72)	1388.88	1743.52	(90.92)	1652.60
Half Pay Leave	914.13	8.26	922.39	837.00	77.13	914.13
Post Retirement Medical Benefit Scheme.	2094.27	389.28	2483.55	1736.32	357.95	2094.27
Baggage Allowance upon Retirement	21.26	(1.27)	19.99	21.95	(0.69)	21.26
Gratuity	1227.28	(384.79)	842.49	581.86	645.42	1227.28
Total	**5909.54**	**(252.24)**	**5657.30**	**4920.65**	**988.89**	**5909.54**

2) Gratuity

i. Changes in present value of defined benefit obligation are as follows:

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Defined benefit obligation at the beginning of the year	5494.62	5075.84
Acquisition adjustment IN	3.92	-
Current service cost	366.49	268.57
Interest cost	269.57	316.22
Actuarial gain/(loss)	(121.74)	425.89
Benefit paid	(875.47)	(591.90)
Defined benefit obligation at the end of the year	5137.39	5494.62

ii. Changes in fair value of plan assets are as follows:

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Fair value of plan assets at the beginning of the year	4267.79	4494.43
Actual return on plan assets	321.64	365.26
Contribution by employer	581.41	-
Benefit paid	(875.47)	(591.90)
Fair value of plan assets at the end of the year	4295.36	4267.79

iii. The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

Particulars	31 March, 2022 (%)	31 March, 2021 (%)
Govt. securities / special deposit with RBI	56.36	61.00
High quality corporate bonds	27.19	28.32
Insurance companies	Nil	Nil
Cash and cash equivalents, Bank balance	16.17	9.91
Term deposits	Nil	Nil
Equity (Mutual Funds)	0.28	0.77

iv. Details of defined benefit obligation

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Present value of defined benefit obligation	5137.39	5494.62
Fair value of plan assets	4295.36	4267.77
Benefit liability	(842.02)	(1226.83)

v. Expenses recognized in the statement of profit and loss:

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Current service cost	269.57	268.57
Interest cost on benefit obligation	81.83	36.22
Net expense for the period	351.40	304.79

vi. Expenses recognized in the Other Comprehensive Income (OCI):

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Actuarial Gain /(losses) on Obligation for the period	121.74	(425.89)
Actuarial gain/(loss) on Plan Assets	36.98	85.26
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Net Gain /(Losses) for the period recognized in OCI	154.80	(340.63)

vii. The principal assumptions used in determining employee benefits are given below:-

Particulars	31 March, 2022	31 March, 2021
Discount Rate	7.16%	6.67%
Future cost increase /Salary escalation rate	6.00%	6.00%
Retirement age	60	60
Attrition rate:		
Age (years)		
Upto 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

The above information is certified by the actuary and relied upon by the auditors.

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The overall expected rate of return on plan assets is determined based on the market prices prevailing as on balance sheet date, applicable to the period over which the obligation is to be settled.

viii. Sensitivity Analysis

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Projected Benefit Obligation on Current Assumptions		
Delta Effect of +0.50% Change in Rate of Discounting	(108.96)	(57.28)
Delta Effect of -0.50% Change in Rate of Discounting	114.45	54.31
Delta Effect of +0.50% Change in Rate of Salary increase	115.18	54.52
Delta Effect of -0.50% Change in Rate of Salary Decrease	(110.63)	(58.61)

ix. Maturity Analysis of projected benefit obligation

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Projected Benefits Payable in Future Years From the Date of Reporting		
1st following year	800.23	687.01
2nd following year	573.56	641.73
3rd following year	863.67	563.75
4th following year	804.33	850.37
5th following year	451.85	794.21
6th following year	291.21	430.15
Beyond 6 years	1352.53	1527.39

x. Amounts of current and previous periods are given as under:

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Defined benefit obligation	5137.39	5494.62
Plan Assets	4295.36	4267.79
Surplus / (Deficit)	(842.02)	(1226.83)

3) Post Retirement Medical Benefit Plan

i. Changes in the present value of benefit obligation are as follows:

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Present Value of obligation at the beginning of the year	2094.27	1736.32
Current service cost	62.58	45.55
Interest cost	139.69	108.17
Actuarial gain/(loss)	236.14	243.83
Past service cost		
Benefit paid	(49.12)	(39.60)
Present value of obligation at the end of the year	2483.55	2094.27

ii. Balance sheet and related analysis:-

(Rupees in Lakhs)

Particulars	31 March, 2021	31 March, 2021
Present Value of the Obligation at end	2483.55	2094.27
Fair Value of Plan Assets	-	-
Unfunded Liability /provision in Balance sheet	(2483.55)	(2094.27)
Unfunded liability recognized in Balance sheet	(2483.55)	(2094.27)

iii. Expenses recognized in the statement of profit and loss:

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Current service cost	62.58	45.55
Interest cost on benefit obligation	139.69	108.17
Net expense for the period	202.26	153.72

iv. Expenses recognized in the Other Comprehensive Income (OCI):

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Actuarial losses on Obligation for the period	(236.14)	(243.83)
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain/(loss) for the period on assets	-	-
Net expense for the period recognized in OCI	(236.14)	(243.83)

v. The principal assumptions used in determining employee benefits are given below:-

Particulars	31 March, 2022	31 March, 2021
Discount Rate	7.16%	6.67%
Future cost increase /Salary escalation rate	6.00%	6.00%
Retirement age	60	60
Attrition rate :		
Age (years)		
Upto 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

The above information is certified by the actuary and relied upon by the auditors.

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

vi. Sensitivity Analysis

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Projected Benefit Obligation on Current Assumptions		
Delta Effect of +0.50% Change in Rate of Discounting	(84.48)	(82.36)
Delta Effect of -0.50% Change in Rate of Discounting	84.59	82.65

4) Earned Leave Liability–

i. Changes in the present value of benefit obligation are as follows:

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Present Value of obligation at the beginning of the year	1652.60	1743.51
Acquisition Adjustment	1.26	-
Current service cost	115.29	145.01
Interest cost	110.23	108.62
Actuarial gain/(loss)	169.09	(14.68)
Benefit paid	(659.59)	(329.87)
Present value of obligation at the end of the year	1388.88	1652.60

ii. Balance sheet and related analysis:-

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Present Value of the Obligation at end	1388.88	1652.60
Fair Value of Plan Assets	-	-
Unfunded Liability /provision in Balance sheet	(1388.88)	(1652.60)

iii. Expenses recognized in the statement of profit and loss:

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Current service cost	115.29	145.01
Interest cost on benefit obligation	110.23	108.62
Net actuarial (gain)/ loss recognized in the period	169.09	(14.68)
Net expense for the period	394.61	238.95

iv. The principal assumptions used in determining employee benefits are given below:-

Particulars	31 March, 2022	31 March, 2021
Discount Rate	6.67%	6.67%
Future cost increase /Salary escalation rate	6.00%	6.00%
Retirement age	60	60
Attrition rate :		
Age (years)		
Upto 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

The above information is certified by the actuary and relied upon by the auditors.

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

v. Sensitivity Analysis

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Projected Benefit Obligation on Current Assumptions		
Delta Effect of +0.50% Change in Rate of Discounting	(35.90)	(34.39)
Delta Effect of -0.50% Change in Rate of Discounting	34.32	33.43
Delta Effect of +0.50% Change in the Salary Increase	34.58	33.50
Delta Effect of -0.50% Change in the Salary Decrease	(36.50)	(34.85)

vi. Maturity Analysis of projected benefit obligation: From the Employer

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
1st following year	263.79	222.68
2nd following year	132.75	187.42
3rd following year	205.96	131.68
4th following year	189.56	257.56
5th following year	108.16	203.75
6th following year	57.82	110.26
Beyond 6 years	393.96	539.25

5) Baggage Allowance

i. Changes in the present value of benefit obligation are as follows:

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Present Value of obligation at the beginning of the year	21.26	21.95
Current service cost	0.76	0.83
Interest cost	1.42	1.37
Actuarial gain/(loss)	(1.22)	(2.30)
Benefit paid	(2.22)	(0.59)
Present value of obligation at the end of the year	19.99	21.26

ii. Balance sheet and related analysis :-

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Present Value of the Obligation at end	19.99	21.26
Fair Value of Plan Assets	-	-
Unfunded Liability /provision in Balance sheet	(19.99)	(21.26)
Unfunded liability recognized in Balance sheet	(19.99)	(21.26)

iii. Expenses recognized in the statement of profit and loss:

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Current service cost	0.76	0.83
Interest cost on benefit obligation	1.42	1.37
Net expense for the period	2.18	2.19

iv. Expenses recognized in the Other Comprehensive Income (OCI):

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Actuarial gain /(losses) on Obligation for the period	1.22	2.30
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain/(loss) for the period on assets	-	-
Net expense for the period recognized in OCI	(1.22)	(2.30)

v. The principal assumptions used in determining employee benefits are given below:-

Particulars	31 March, 2022	31 March, 2021
Discount Rate	6.67%	6.67%
Future cost increase /Salary escalation rate	6.00%	6.00%
Retirement age	60	60
Attrition rate :		
Age (years)		
Upto 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

The above information is certified by the actuary and relied upon by the auditors.

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

vi. **Sensitivity Analysis**

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Projected Benefit Obligation on Current Assumptions		
Delta Effect of +0.50% Change in Rate of Discounting	(0.73)	(0.73)
Delta Effect of -0.50% Change in Rate of Discounting	0.74	0.74

6) Half Pay leave Liability

i. Changes in the present value of benefit obligation are as follows:

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Present Value of obligation at the beginning of the year	914.13	837.01
Acquisition Adjustment	1.73	-
Current service cost	48.99	48.88
Interest cost	60.97	52.15
Actuarial gain/(loss)	15.39	38.06
Benefit paid	(118.83)	(61.97)
Present value of obligation at the end of the year	922.39	914.13

ii. Balance sheet and related analysis:-

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Present Value of the Obligation at end	922.39	914.13
Fair Value of Plan Assets	-	-
Unfunded Liability /provision in Balance sheet	(922.39)	(914.13)

iii. Expenses recognized in the statement of profit and loss:

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Current service cost	48.99	48.88
Interest cost on benefit obligation	60.97	52.15
Net actuarial (gain)/ loss recognized in the period	15.39	38.06
Net expense for the period	125.35	139.09

iv. The principal assumptions used in determining employee benefits are given below:-

Particulars	31 March, 2022	31 March, 2021
Discount Rate	6.67%	6.67%
Future cost increase /Salary escalation rate	6.00%	6.00%
Retirement age	60	60

Particulars	31 March, 2022	31 March, 2021
Attrition rate :		
Age (years)		
Upto 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

The above information is certified by the actuary and relied upon by the auditors.

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

v. Sensitivity Analysis

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Projected Benefit Obligation on Current Assumptions		
Delta Effect of +0.50% Change in Rate of Discounting	(20.11)	(19.13)
Delta Effect of -0.50% Change in Rate of Discounting	19.98	19.91
Delta Effect of +0.50% Change in the Salary Increase	19.09	(19.13)
Delta Effect of -0.50% Change in the Salary Decrease	(20.38)	19.91

vi. Maturity Analysis of projected benefit obligation: From the Employer

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
1st following year	149.35	125.77
2nd following year	77.91	108.72
3rd following year	182.84	75.95
4th following year	182.15	168.20
5th following year	61.80	148.42
6th following year	42.15	51.97
Beyond 6 years	223.77	235.10

XII. Investment in Equity Share (unlisted) at cost - (Level 3 Investment)

The Company has invested Rs. 289.34 Lakhs during F.Y. 2009-10 towards equity contribution (unlisted) in National Flying Training Institute Pvt. Ltd. (NFTI), Gondia, Maharashtra. The investee company has accumulated losses of Rs. 8044.50 Lakhs against paid up share capital of Rs. 8368.40 Lakhs as on 31.03.2022 (unaudited Accounts). Considering huge accumulated Loss which is about 96.13% (March 31, 2021 - 98.81%) of Paid up share capital of the NFTI, the Company has made total provision for diminution in value of investment of Rs. 289.34 Lakhs till 31.03.2022 (March 31, 2021 Rs. 289.34 Lakhs).

XIII. Insurance Claims

a) On 28th June 2013 N3 helicopter Regn No VT-PHZ met with an accident, when the helicopter was on rescue mission in Uttarakhand from Mateli to Harshil. The financial claim amounting to Rs. 1086.76 Lakhs upon completion of repairs to the helicopter has been submitted to M/s. New India Assurance Co. Ltd. for their assessment and further action. Subsequently as per the email dt.10th Sept, 2015 the surveyor had assessed the claim for Rs. 733.45 Lakhs which is subject to settlement by the insurance company. The Insurance Company has rejected our claim based on a DGCA report of the incident. The company has explained vide letter dated 13 August 2018 in detail probable reasons for the accident and has again requested the Insurance company to reconsider the issue and settle the claim. PHL has filed suit against M/s. New India Assurance Co. Ltd. before Hon'ble Delhi High Court with a prayer for directing Insurance company to pay Rs. 812.74 Lakhs. The next date of hearing on the matter is on 10/10/2022 for completion of pleadings and admission/denial of documents.

b) On 03/10/2018, Bell 206L4 Helicopter VT-PHD (Sum Insured Value of Rs. 875.00 Lakhs) took off from Padaum and had emergency landing at Kargiak in Zanskar beyond Leh. The claim of the same has been assessed as constructive total loss and the company has received Rs. 780.00 Lakhs (net of salvage value) out of total receivable Rs. 835.00 Lakhs (net of deductible-Rs. 40 lakhs) and the claim on account salvage will be received on completion of disposal of helicopter salvage for which Sale Purchase agreement has been signed & all necessary documents related to disposal have been submitted to buyer and is likely to be settled shortly.

c) The company has leased one of the Sikorsky helicopter VT-PWI (MSN 761060) which met with an accident on 28/06/2022 on Mumbai high offshore field, which was flying for M/s. Oil and Natural Gas Corporation (ONGC). The accident was informed to the insurance company by the PHL. Insurance claim is under process and likely to settle shortly.

XIV. Taxation

a) In view of taxable losses for the financial years ended 31.03.2007 to 31.03.2017, the Company had paid Minimum Alternate Tax (MAT) under section 115JB of the Income Tax Act, 1961 amounting to Rs. 13,343.44 Lakhs (March 31, 2021 Rs. 13,343.44 Lakhs) including MAT of Rs. 4669.72 Lakhs for the AY 2017-18. However, due to certain disallowances made by the AO for the AY 2017-18 the assessment has been made under normal tax and raised the additional demand of Rs. 5752.66 lakhs after adjusting Rs. 4669.72 Lakhs paid under MAT for AY 2017-18. Subsequently, the AO had adjusted aforesaid additional tax demand against available MAT Credit of Rs. 8673.72 lakhs upto AY 2016-17 vide rectification order no.ITBA/REC/S/154_1/2020-21/1030290334 (1) dated 02/02/2021 and also adjusted tax of Rs. 4144.08 lakhs from available MAT credit leaving a balance of Rs. 4529.64 lakhs as on 31.03.2017, the Company is already in appeal for the disallowance and tax demand of Rs. 5752.60 lakhs made by the than AO. During the year under review, the Company has incurred taxable loss under normal provision as well as under MAT 115JB of Income Tax Act, 1961. Further, the Income Tax department has adjusted available MAT credit of Rs. 4028.06 lakhs against the tax demand for the AY 2018-19, for which the Company had already filed appeal before CIT (A). Accordingly, as on date the Company has balance available MAT credit of Rs. 501.58 Lakhs which is adjustable in future against tax under normal provisions. However, MAT has not been accounted for on prudent basis, as the management is not certain of generating future taxable profit to adjust available MAT credit.

b) Breakup of advance tax net of provision of Rs. 8,149.72 Lakhs (P.Y. Rs. 8,876.72 Lakhs) has been shown under Non Current Advance Tax Rs. 6809.45 Lakhs (PY Rs. 6,526.33 Lakhs) excluding provision of Rs. 95.53 Lakhs (PY Rs. 95.53 Lakhs) made for invalid TDS certificates pertaining to assessment years 2004-05, 2005-06, 2006-07, 2009-10 and 2010-11 under Current Tax Rs. 1,340.27 Lakhs (P.Y. Rs. 2,350.39 Lakhs) and under Current Liabilities Rs. NIL (P.Y. Rs. NIL Lakhs) which are as under:-

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Advance Tax including tax deducted at source	42,574.21	43,391.21
Provision for Income Tax	34,424.49	34,514.49
Net Amount of advance income tax paid	**8,149.72**	**8,876.72**

c) The amount of advance tax includes Rs. 6,968.89 Lakhs (March 31, 2021 Rs. 7652.05 Lakhs) relating to completed assessments upto the assessment year 2018-19 and Rs. 445.48 Lakhs pertains to A.Y. 2019-20, A.Y. 2020-21& AY 2021-22 in respect of which assessment is yet to be completed and balance advance tax of Rs. 735.35 Lakhs pertains to current financial year.

The refundable amount of aforesaid advance tax as on 31 March, 2022 amounting to Rs. 6,968.89 Lakhs upto the assessment year 2018-19 (March 31, 2021 Rs. 7652.05 Lakhs), is not quantifiable at this stage as these cases are pending with CIT/ITAT. Hence, net amount recoverable /adjustable towards refund from the Income Tax Department has been shown under "Non-Current Assets" amounting to Rs. 6,809.45 Lakhs (March 31, 2021 Rs. 6,526.33 Lakhs) and balance amount of Rs. 1,340.07 Lakhs (March 31, 2021 Rs. 2350.39 Lakhs) has been shown under "Current Tax Assets".

The Company has filed appeals with the Income Tax Appellate Tribunal against disallowances made by the assessing officer and confirmed by the CIT (Appeals). These appeals mainly relate to Company's claim of interest payable to the Central Government/ interest on tax free bonds for the financial years 1996-97 to 2001-02.

XV. Heliport Project

The Government had approved building a Heliport at Rohini, New Delhi by the Company at an estimated cost of Rs. 6400.00 Lakhs (including cost of Land of Rs. 1907.00 Lakhs which is in the name of MOCA) which was revised to Rs 9925.00 Lakhs on 07/06/2016 by MOCA due to additional items and contingencies for essential security, safety and operational infrastructure cost. The project is to be funded as under:-

a) Government equity towards 80% of the cost of infrastructure development aggregating to Rs. 6414.00 Lakhs.

b) Company contribution of Rs. 1604.00 Lakhs being 20% of the project cost.

The Company had received Rs. 6414.00 Lakhs upto March, 2017 as equity contribution from GoI towards cost of the Heliport Project (Including Rs. 2814.00 Lakhs received from GoI (MOCA) in March 2017 as equity share capital).

Expenses incurred on the project till 31.3.2022 is summarized below:-

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Cost of land –Not Funded by GoI	7.01	7.01
Payment to consultants for designing and project planning	178.68	178.68
Expenses on boundary wall and R/A Bills payment to Contractor, Electricity Load Sanction fees etc.	5948.26	5948.26
Total	**6133.95**	**6133.95**

During the financial year 2016-17, Rohini Heliport started its operation from 28.02.2017. Therefore, Rs. 6133.95 Lakhs was provisionally capitalized on 28.02.2017 under different identifiable components following Component Approach. Further, as there is no lease agreement between the company and MOCA for Rohini Heliport Land, useful life as stated under Companies Act has been considered for respective identified components.

M/s Dineshchandra R. Agrawal Infracon Pvt. Ltd. (DRAIPL) had filed arbitration petition no.472/2017 in the Hon'ble Delhi High Court seeking appointment of nominee Arbitrator on account of failure of PHL to appoint as per their notice of claim for arbitration dated 15.3.2017 of Rs. 1886.77 Lakhs (nominating Shri Krishna Kant as its nominee arbitrator) in respect of construction work of Rohini Heliport. However, the said notice was withdrawn by the petitioner. On 23.11.2017 the High Court ordered PHL to nominate its nominee arbitrator. Accordingly PHL had nominated Retd. Justice J.D.Kapoor and the 2 arbitrators nominated Retd. Justice Usha Mehra as Presiding Arbitrator. The DRAIPL had filed its claim of Rs. 2085.00 Lakhs and PHL filed its counter claim to Rs. 2928.00 Lakhs against DRAIPL. The Hon'ble Tribunal has pronounced the award on 03.07.2019 awarding a sum of Rs. 1211.63 Lakhs along with 10% interest from the date of Award till date of payment in favour DRAIPL. Counter claims of PHL amounting to Rs. 117.62 Lakhs were also awarded. PHL has filed objections against the Award before Hon'ble Delhi High Court and has obtained interim stay against the Award. PHL is having retention money of the party amounting to Rs. 568.69 Lakhs Thus, the net contingent liability in the matter is Rs. 525.32 lakhs excluding interest. Pursuant to Orders passed by Hon'ble Delhi High Court, PHL has deposited Rs. 1362.42 Lakhs in the Registry and the award has been stayed. The next date of hearing is 12.10.2022. Contingent Liability of Rs. 911.34 Lakhs (Net of retention money) has been included in Note No.32 (II(d)).

c) Further, due to disinvestment of Company which is under process PHL's Board of Directors, had approved to hive off Rohini Heliport in the board meeting held on 31st October, 2019. Discontinued Operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations.

i) Assets and Liabilities as on 31 March 2022 and 31 March 2021 of Rohini Heliport are as under:-

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Assets		
Property, Plant and Equipments	4070.56	4430.09
Trade Receivable	38.54	40.57
Cash & Cash Equivalent	55.24	128.46
Other Current Assets	1363.93	-
TOTAL	**5528.27**	**4599.12**

Particulars	2021-22	2020-21
Liabilities		
Other Non Current Financial Liabilities	0.06	0.06
Trade Payable	13.98	7.67
Other Current Liabilities	602.21	668.88
TOTAL	**616.25**	**676.61**

ii) Income & Expenditure of Rohini heliport are as under:-

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Income		
Revenue from Operation	184.54	189.64
Other Income	-	-
Total	**184.54**	**189.64**
Expenses		
Heliport Operation Expenses	93.94	72.28
Employees Benefits Expenses	101.00	101.00
Depreciation & Amortization Expenses	359.54	362.80
Other Expenses	128.32	137.69
Total	**682.80**	**673.77**
Net Profit	**(498.27)**	**(484.13)**

iii) Cash Flow Statement of Rohini Heliport are as under –

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Cash flow from Operating Activities		
Net Profit Before Tax	**(498.27)**	(484.13)
Depreciation and Amortization	359.54	362.80
Allowances for Bad & Doubtful debts	-	-
Operating Profit Before Working Capital Charges	**(138.73)**	**(121.33)**
Changes in Assets and Liabilities		
Trade Payables, Other Liabilities & Provisions	(60.37)	(90.89)
Loans & Advances & Other Assets	(1363.93)	14.84
Trade Receivables	2.03	4.32
Inter Unit Balance	1487.78	279.33
Cash generated by Operating activities	**(73.22)**	**86.27**
Net Cash Flow From/(Used) in operating activities	**(73.22)**	**86.27**
Cash Flow from Investing Activities		
Purchase of property, plant & equipment	-	(0.98)
Adjustment in property, plant & equipment		-
Net Cash Flow From/(Used) in investing activities	**-**	**(0.98)**
Net Cash Flow From/(Used) in financing activities	**-**	**-**
Net Increase In/Utilisation of Cash and cash Equivalents(A+B+C)	**(73.22)**	**85.29**
Cash and Cash equivalents at the Beginning of the period	**128.46**	**43.17**
Cash and cash equivalents at the end of the period	**55.24**	**128.46**

It will also have consequential impact on Provision for tax and Deferred tax of the Company.

XVI. Helicopter Training Academy cum Heliport at Hadapsar, Pune -

The Company had been assigned responsibility of setting up a Helicopter Training Academy cum Heliport at the existing Gliding Centre at Hadapsar, Pune owned and controlled by the DGCA. Detailed project report was approved by MOCA. DGCA had released an amount of Rs. 1000.00 Lakhs for this purpose in April 2010. Expenses incurred upto 31.03.2022 out of the said advance is stated below:

(Rupees in Lakhs)

	Particulars	31 March, 2022	31 March, 2021
A	-Advance received from DGCA in April, 2010	1000.00	1000.00
	-Total interest accrued & earned	229.20	226.18
	Total fund	**1229.20**	**1226.18**
B	- Amount disbursed to NBCC	1134.09	1134.09
	- Amount incurred by the company towards project cost	26.68	26.68
	Total Disbursement/ expenditure	**1160.77**	**1160.77**
C	**Balance available with bank**		
	- In Current account	4.92	4.92
	- In Fixed Deposits	62.70	60.00
	- Interest accrued & other	0.46	0.45
	Total	**68.08**	**65.37**

XVII. Corporate Social Responsibility and Sustainable Development Fund

As per section 135 of the Companies Act, 2013 effective from 1st April, 2014, the company is required to spend, in every financial year, at least 2% of the average net profits of the Company earned for the three immediately preceding financial years in accordance with its CSR policy. Based on above, in F.Y. 2021-22 company is required to spend Rs. Nil (March 31, 2021 Rs. Nil Lakhs). In addition to above, provision amounting to Rs. 200.92 Lakhs (March 31, 2021 Rs. 200.92 Lakhs) has been carried forward from earlier years. During the current year, company has spent/committed Rs. Nil (March 31, 2021 Rs. Nil) on CSR activities under the following heads:

(Rupees in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Swachh Bharat Abhiyan	Nil	Nil
Promotion of Education**	Nil	Nil
Healthcare	Nil	Nil
Conservation of natural resources	Nil	Nil
Training and skill development	Nil	Nil
Total	**Nil**	**Nil**

** A contract for promotion of education has been awarded to M/s Kalinga Institute of Social Science for the total value of Rs. 6.75 lakhs and Rs. 5.06 lakhs has been spent upto 31.03.2019 and provision of Rs. 1.69 lakhs has been carried in books of accounts as committed liability under CSR.

Out of Balance unspent amount of Rs. 204.62 Lakhs for the period upto 31.03.2022 will be spent in due course as per guidelines issued by the DPE dated 23.09.2011 and such further modifications issued from time to time.

XVIII. Obligation towards operating leases:-

Rental expenses & Helicopter Lease Charges of Rs. 1336.08 Lakhs (March 31, 2021 Rs. 1520.05 Lakhs) in respect of cancellable operating leases have been charged to the Statement of Profit and Loss. The Company has entered into non-cancellable operating lease with Vertical Aviation No 1 Limited for S76D helicopter for seven year and during the financial year under review paid Rs. 1055.67 lakhs as Helicopter Lease charges.

Disclosure of Operating Lease with HAL*:-

(Rupees in Lakhs)

Particulars	Not Later than One year	Later than one year but not later than five years	Later than five years
Dhruv Helicopter on Dry Lease from HAL (VT-HAQ** & VT-HAR)	684.00	667.13	-

* During the F. Y. 2021-22 Rs. 313.59 Lakhs (P. Y. –Rs. 563.88 Lakhs) have been charged to the Statement of Profit and Loss.

** VT-HAQ is under repair and available, due to which no lease disclosure of the same has been given.

XIX. Leases :-

The company has applied Ind AS 116 during the year using modified retrospective approach, under which the cumulative effect of Rs. 1.81 lakhs(net of deferred tax) on initial application is recognized in retained earnings as at April 1, 2019.

Right to use assets of Rs. 1711.15 lakhs and lease liabilities of Rs. 1713.77 Lakhs have been recognized as on 1 April 2019.

A. Carrying value of right of use assets at the end of the reporting period by class:

Particulars	2021-22	2020-21
At the beginning of the year	877.72	929.58
Addition during the period	20424.80	697.04
Deletion during the period	80.04	Nil
Depreciation	2257.31	748.90
Closing Balance	18965.17	877.72

B. Maturity analysis of lease liabilities:

Maturity analysis – contractual undiscounted cash flows	As on 31st March 2022	As on 31st March 2021
Less than one year	3844.39	818.22
One to five years	17333.08	73.63
Above five years	32.75	157.98
Total undiscounted lease liabilities at 31 March 2022	21210.22	1049.83
Lease liabilities included in the statement of financial position at 31 March 2022	18769.29	870.73
Current	650.59	793.06
Non-Current	18118.70	77.67

C. **Amounts recognized in the profit or loss:**

Particulars	As on 31st March 2022	As on 31st March 2021
Interest on lease liabilities	511.75	118.47
Amortization on ROU	2257.30	748.90

D. **Amounts recognized in the Statement of Cash Flow:**

Particulars	As on 31st March 2022	As on 31st March 2022
Total Cash Outflow for Lease	1741.18	806.34

XX. Component Accounting –

From the financial year 2016-17, component accounting for helicopter parts was adopted and the following parts were considered for component accounting:

a. Engine

b. Main Gear Box

c. Hub Assy.

d. Transmission Assy.

e. Embedded Cost

f. Hull

Total Depreciation for helicopters & components for the F Y 2021-22 amounts Rs. 6562.20 Lakhs (March 31, 2021 Rs. 5194.71 Lakhs). Overhaul charges / G inspection expenses of Rs. 6788.64 Lakhs (March 31, 2021 Rs. 5408.22 Lakhs) has been capitalized in the F. Y. 2020-21.

XXI. a) A financial irregularity was reported at Lakshadweep detachment in the financial year 2014-2015. The Vigilance Department has conducted enquiry and submitted report to the management. Out of the estimated financial loss as reported by the Vigilance Department of Rs. 129.21 Lakhs, provision of Rs. 89.12 Lakhs was created in the financial year 2014-2015. The figure of Rs. 89.12 Lakhs was arrived at by estimating total amount of Rs. 129.21 Lakhs out of which travelling bills/credit payables to employees/supporting/invoice etc amounting to Rs. 40.09 Lakhs were traced. During the previous financial years, Rs. 59.29 Lakhs was received from the Lakshadweep Administration towards travelling bills for the period April 2008 to March 2011. As informed by HR Deptt., Investigation has been completed and action suggested has been acceded by the competent authority.

b) During the financial year 2018-19, misappropriation of Rs. 3.56 Lakhs (approx) by the then Base Assistant of Daman detachment, being collection on behalf of Daman & Diu Administration for tickets issued, was noticed. Corrective Action has been initiated to recover the amount and currently Rs. 2.40 Lakhs has been recovered from him and in respect of the balance amount of Rs. 1.16 Lakhs necessary steps are being taken to recover the amount along with initiating other actions as deemed fit. The amount has been provided for during the financial year 2018-19.

XXII. Provisions –

Various provisions carried in the books as on 31.03.2022 are detailed below.

(Rupees in Lakhs)

Particulars	As on 31 March, 2020	Created / Utilized/ other adjustments during the year	As on 31 March, 2021	Created / Utilized/ other adjustments during the year	As on 31 March, 2022
Provision for Impairment of Assets	2410.57	(197.95)	2212.62	(206.31)	2006.31
Provision on account of License related allowance to Pilots & Engineers	2870.00	883.00	3753.00	(151.00)	3602.00
Doubtful Debts/Advances/ Expected Credit Loss	9256.48	1825.83	11082.31	(288.02)	10794.29
Provision for Non moving inventories/ Life expired items, etc.	3501.59	258.65	3760.24	214.52	3974.76
Provision for Loss at Lakshadweep Detachment	89.12	-	89.12	-	89.12
Provision for Diminution in Value of Investment	289.34	-	289.34	-	289.34
Provision Others –Daman	1.16	-	1.16	-	1.16

XXIII. (A) Movement of Contract Asset and Contract Liability

(Amount in Lakhs)

Particulars	2021-22		2020-21	
	Contract Assets	Contract Liability	Contract Assets	Contract Liability
Opening Balance (A)	**261.39**	**56.23**	**284.61**	**797.61**
Additions				
Against Sale recognised during the year	131.74	-	261.39	-
Receipt of Advance from customers during the year	-	16.13	-	162.45
Change in Transaction Price recognised during the year	-	-	-	-
Others (if any)	-	12.94	-	0.49
Total-B	**131.74**	**29.07**	**261.39**	**162.94**
Deductions	-	-	-	-
Contract Liability adjusted against Revenue Recognise during the year -opening	-	-	-	748.91
Contract Liability adjusted against Revenue Recognise during the year -current	-	-	-	-
Conversion of Contract Asset to Trade Receivable	261.39	11.73	149.30	132.12
Impairment of Contract(if any)	-	-	135.06	-

Particulars	2021-22		2020-21	
	Contract Assets	Contract Liability	Contract Assets	Contract Liability
Write back of Contract Liability	-	-	-	-
Change in Transaction Price	-	-	-	-
others (if any)	-	9.67	-	23.29
Total-C	**261.39**	**21.40**	**284.36**	**904.32**
Grand Total (CLOSING BALANCE)-D (A+B+C)	**131.74**	**63.90**	**261.39**	**56.23**

(B) Movement of Trade Receivables

(Amount Rs. in Lakhs)

Particulars	2021-22	2020-21
Opening Balance of Trade Receivables(Net) (A)	**17300.10**	**16465.80**
Additions		
Against Sales Recognised during the year	40336.57	38437.13
Conversion of Contract Assets into Trade Receivables	261.39	149.30
Change in transaction price recognised during previous year	-	-
Others (if any)	8487.92	9182.66
Sub Total (B)	**49085.88**	**47769.09**
Deductions		
Collections made during the year	42888.49	39638.49
Advance adjusted during the year out of revenue recognized	-	311.54
Impairment of Debtors- Provision for doubtful debts	2770.42	4318.12
Change in transaction price recognised during previous year	-	
Others (if any)	1522.14	2666.63
Sub Total (c)	**47181.05**	**46934.78**
Grand Total (Closing Balance) D= A+B-C	**19204.94**	**17300.10**

XXIV. A) The Ministry of Civil Aviation vide letter No. AV.30020/365/2015-GA dt. 15.06.2017 conveyed in-principle approval, subject to the approval of shareholders in general meeting, for increase in authorized share capital of company from Rs. 25,000 Lakhs to Rs. 56,000 Lakhs i.e. by Rs. 31,000 Lakhs. Thereafter, approval of shareholders of company has been obtained in the extraordinary general meeting held on 22.6.2017 for increase in authorized capital from Rs. 25,000 Lakhs to Rs. 56,000 Lakhs for rights issue of shares to the President of India (GoI) thru Ministry of Civil Aviation Rs. 15,905 Lakhs (received Rs. 13,091 Lakhs on 20/01/2017 and Rs. 2,814 Lakhs on 31/03/2017) and to ONGC Ltd. Rs. 15,281.60 Lakhs (received on 06/07/2017). The Board at its 159th meeting held on 10/07/2017 has approved rights issue and allotment of 1,59,050 number of equity shares in favour of the President of India (GoI) and 1,52,816 number of equity shares to ONGC Ltd. having face value of Rs. 10,000 each. Accordingly Equity Structure of the company as on 10.7.2017 is as follows:

(Rupees in Lakhs)

Equity Shareholder of Pawan Hans Limited	Shareholding before 10.7.2017	Rights Issue of Equity Shares allotted on 10.7.2017	Total Shareholding (authorized capital Rs. 56,000 Lakhs) as on 31.03.2022	% Share holding
President of India (GoI) through MoCA	12,526.60	15,905.00	28,431.60	51%
ONGC Ltd.	12,035.00	15,281.60	27,316.60	49%
Total paid-up Capital	**24,561.60**	**31,186.60**	**55,748.20**	**100%**

XXV. The strategic disinvestment of GOI's stake (51%) in PHL is currently in process for which PIM/Request for Expression of Interest (EoI) was issued on December 08, 2020. Basis the evaluation of EoIs received till Due Date (March 05, 2021) and as per IMG directions. Bidders shortlisted pursuant to evaluation of EOIs were provided access to VDR, SIM, RFP and draft Share Purchase Agreement. The shortlisted bidders undertook various due diligence activities and submitted their bids which were technically evaluated. The financial bids were opened on April 23, 2022. A Consortium of 3 members (namely Star9 Mobility Pvt. Ltd.) was declared as highest bidder on April 29, 2022.

XXVI. Prior Period Errors

The company is required to make following disclosure in respect of prior period errors rectified by it while preparing the financial statements:

(a) Nature of prior period error.

(b) for each prior period presented, to the extent practicable, the amount of correction:

- for each financial statement line item affected; and
- for basic and diluted earnings per share;

(c) the amount of correction at the beginning of the earliest prior period presented;

Following prior period adjustments were made in the financial year 2021-22:-

(Rupees in Lakhs)

Particulars	Amount
Prior Period identified during FY 2021-22, pertaining to FY 2019-20 and earlier years has been adjusted from Opening Reserves & Surplus	**1084.58**
Debit	
Helicopter Operational & maintenance expenses	0.92
Depreciation & Amortization Expenses	571.70
Other Expenses	14.68
Revenue from Operation	343.79
Fixed Assets Written Off	24.49
Other Income	0.08
Total	**955.66**
Credit	
Revenue From Operations	106.22

Particulars	Amount
Other Income	19.66
Fixed Assets Written Off	1891.37
Other Expenses	15.37
Depreciation & Amortization Expenses	7.62
Total	**2040.24**
Prior Period identified during FY 2021-22, pertaining to FY 2020-21, adjusted under respective line items in FY 2020-21	**(373.32)**
Debit	
Helicopter Operational & maintenance expenses	27.54
Depreciation & Amortization Expenses	64.44
Other Expenses	71.12
Revenue from Operations	280.26
Total	**443.36**
Credit	
Revenue from Operations	3.95
Helicopter Operational & maintenance expenses	1.63
Depreciation & Amortization Expenses	25.06
Other Expenses	39.40
Total	**70.04**

XXVII. Related Party Disclosure

Related party disclosures, as required by Indian Accounting Standard-24 are given below:-

a) Person having controlling interest

President of India, Government of India - 51% Shareholding

Oil and Natural Gas Corporation Limited - 49% Shareholding

b) Key Managerial Personnel

i. Shri. Sanjeev Razdan, Chairman & Managing Director

ii. Shri Ajay Gupta, Chief Financial Officer (W.e.f 11.06.2021)

iii. Shri Shanker Lal Goel, Chief Financial Officer (W.e.f. 21st May' 2020 till 10.06.2021)

iv. Shri Ranjit Singh Chauhan, Company Secretary

c) Details of Transactions:- (Key Managerial Personnel) -

(Rupees in Lakhs)

Particulars	2021-22	2020-21
Short term employee benefits	81.14	73.18
Contribution to defined Superannuation Benefits	3.51	4.56
Post Employment Benefits	7.02	6.13
Other Long Term Benefits	Nil	Nil

Particulars	2021-22	2020-21
Termination Benefits	Mediclaim Insurance of Rs. 5.00 Lakhs	Mediclaim Insurance of Rs. 5.00 Lakhs
Share based Payment	Nil	Nil
Directors Sitting fees	3.95	2.60
Amount Receivable	Nil	Nil
Amount Payable	2.87	2.06

d) Remuneration paid to Directors including Chairman & Managing Director -

(Rupees in Lakhs)

Particulars	2021-22	2020-21
Short Term Employment Benefits	85.09	75.78
Contribution to defined Superannuation Benefits	3.51	4.56
Post Employment Benefits	7.02	6.13
Other Long Term Benefits	Nil	Nil
Termination Benefits	Mediclaim Insurance of Rs. 5.00 Lakhs	Mediclaim Insurance of Rs. 5.00 Lakhs
Share based Payment	Nil	Nil

e) Enterprise having significant influence –

Oil and Natural Gas Corporation Ltd – Equity Shareholder - 49% amounting to Rs. 27316.60 Lakhs

(Rupees in Lakhs)

Transaction:-	2021-22	2020-21
Helicopter Hire charges (net of AOG/Liquidated Damages)	12457.63	10981.79
Trade receivables as at year end (debit)	2895.44	3151.40

f) Trusts in which company has significant influence:-

(Rupees in Lakhs)

Name of the Trust	2021-22			2020-21		
	Paid	Payable	Receivable	Paid	Payable	Receivable
Pawan Hans Employees Provident Fund Trust	2253.33	179.38	Nil	2284.12	177.93	1.04
Pawan Hans Helicopters Ltd. Employee's Gratuity Trust	581.41	842.49	Nil	Nil	1227.28	Nil
PHL Employees Defined Contribution Superannuation Trust	315.44	26.54	Nil	445.68	22.85	Nil

XXVIII. Reconciliation between Basic and diluted number of shares are as under:

Particulars	No of Shares	
	2021-22	2020-21
No. of shares at the beginning of the year	5,57,482	5,57,482
Add : During the Year	Nil	Nil
Total no. of Diluted Shares at the end of the year	5,57,482	5,57,482

XXIX. Financial Ratios.

Ratios	2021 22	2020 21	Variance	Reason for Variance
Current Ratio (In times)	2.21	2.41	(0.20)	Majorly due to utilization of funds for Overhaul of Helicopters and initial expenditure on Inventory/ Training of Pilots/AMEs etc for induction of Lease Helicopter (S 76 D)
Debt Equity Ratio (in Times)	0.00	0.001	(0.001)	Repayment of Term Loan
Debt Service Coverage Ratio (In Times)	9.16	5.54	3.62	Due to increase in operating
Return on Equity (In %)	-3.35%	-3.85%	0.50%	Reduction in Loss due to better performance
Inventory Turnover Ratio (In times)	6.90	7.42	(0.52)	Due to increase in Revenue and better management of Inventory
Trade Receivable Turnover Ratio	2.11	2.21	(0.09)	Reduce in Trade receivable Turnover ratio is due to increase in collection by regular follow ups with the customers
Trade Payable Turnover Ratio (In Times)	1.14	1.71	(0.57)	Reduction in Expenditure and proper planning of funds disbursement
Net Capital Turnover Ratio (In Times)	1.50	1.27	0.23	Due to better utilization of Working Capital
Net Profit Ratio (In %)	-4.85%	-5.76%	0.91%	Due to reduction in Losses and Increase in Revenue
Return on Capital Employed (In %)	-0.43%	-2.89%	2.45%	Due to reduction in Losses,repayment of Term Loan

XXX. The Company had no dues to Micro & Small Enterprises outstanding for more than 45 days on the Balance Sheet date. Interest and Principal amount breakup of MSME Trade payables is as follows:-

Particulars	As at 31 March 2022	As at 31 March2021
Dues to micro and small enterprises		
- Principal	91.86	26.26
- Interest	Nil	Nil
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	Nil	Nil
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	Nil	Nil

The information has been given in respect of such service provider to the extend they could be identified as micro and small enterprises on the basis of information available with the company and have been relied upon by the auditors.

XXXI. The operating cycle of the company has been assumed to have duration of 12 months and classification of assets and liabilities into long term and short term has been done accordingly for the purpose of Schedule III of the Companies Act, 2013.

XXXII. Segment Reporting

The Company is primarily engaged in the business of providing Helicopter services in India, which as per Indian Accounting Standard – 108 on 'Operating Segments' is considered to be the only reportable business segment in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM is considered to be the Board, as it makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segment. The Company operates in India, which has been considered as a single geographical segment, as the risks are similar.

a) Major Customers

Following are the major customers of the company:-

i. Oil and Natural Gas Company Limited.

ii. Andaman & Nicobar Administration

iii. Lakshadweep Administration

iv. U.T. of Jammu & Kashmir

v. Government of Tripura

vi. Government of Mizoram

vii. Maharashtra Police

XXXII.

a. The Company and Andaman & Nicobar Administration had entered into an agreement to provide helicopter support services for a period 25th March 2015 till 24th March 2020 in consideration of Fixed Monthly Charges Plus Additional Overheads, Hourly Flying Charges, Maintenance Charges and Changes in the ATF Cost Etc. The Maintenance Cost and Changes in ATF cost are Reimbursed by Andaman & Nicobar Administration in France Francs (Euro) which are Converted in INR based on the rates mentioned in the Agreement. Any fluctuation beyond the base rate in the foreign exchange is reimbursed by the Customer.

During the Financial year 2019-2020, it was found that the foreign exchange fluctuation rates had been wrongly taken which has impacted the Prior periods Income from August 2016 to March 2019. The Company has issued a Revised Tax Invoice during the year ended 31st March, 2020 for the Differential Amount which pertains to FY-2016-17 Rs. 14.48 Lakhs, FY-17-18 Rs. 33.29 Lakhs, FY-18-19 Rs. 41.63 Lakhs & FY-19-20 Rs. 41.77 Lakhs amounting to total of Rs. 131.17 lakhs.

Also, as per Agreement, it is mentioned that whenever there is a change in the maintenance and ATF cost (Foreign Currency) beyond the rates mentioned in the contract, Andaman & Nicobar Administration will reimburse the cost to the company. However, it has been observed that whenever the rates of foreign currency are below the rates mentioned in the contract, the company has paid the amount to Andaman & Nicobar Administration amounting to Rs. 320.74 lakhs in FY-16-17, Rs. 408.47 Lakhs in FY-17-18, Rs. 90.48 Lakhs in FY-18-19, Rs. 127.80 Lakhs in FY -19-20 (Total Rs. 947.50 Lakhs) which is not in accordance with contract. The Company has issued Invoice for the same but has not received confirmation from the Andaman & Nicobar Administration and hence has been booked as Unbilled Revenue without GST in F Y 2019-20 and has also provided provision of Expected Credit Loss of Rs. 812.44 Lakhs in F Y 2019-20 and Rs.135.06 in F Y 2020-21.

XXXIV. The Company and Oil and Natural Gas Corporation (ONGC) had entered into Agreement on 8th June 2017 to provide charter hire of 3 Nos. Production Task Helicopters and also entered into an agreement on 31st December 2015 to provide charter hire of 4 Nos. of Dauphin AS365N3 Crew change helicopters for offshore operation for carrying out ONGC's Operations in conforming to specifications as mentioned in the agreement out of which in 2021-22 only one helicopter was hired till October 2021 and vide a fresh amendment No..2 to contract dated 16/02/2021, 2 helicopters were hired from 21/02/2021 to 30/07/2021 therefore vide contract dated 04/10/2021 it was extended to13/08/2021 to 12/02/2022. Further the same contract was renewed vide contract no.mum/off-logistics/mm/2022/phlnom22/917963/p76rs22001/9010034237 dated 15/02/2022 w.e.f. 13/02/2022 to 30/06/2022.The Region in consideration for the above services receives Fixed Monthly Charges and Flying Monthly Charges. In case the Region is not able to provide the helicopter to ONGC, fixed monthly charge shall not be payable to Region for the period helicopter is not available. In addition, Liquidation Damages are required to be paid for full day of grounding an amount equivalent to 5 % of fixed monthly charge and for half day of grounding an amount equivalent 2.5% (i.e., 50% of 5%) of fixed monthly charge for an amount of Rs 31.78 Lakhs (P.Y. Rs. 680.28 Lakhs) has been deducted during the year. This has resulted due to one non-operational day results into loss of Fixed Monthly Charges as well as Liquidation Damages which are deducted from the payments due. As cost of meeting obligations estimated under the contract exceeds its economic benefits expected to be received during the period of the contract, the contract is an onerous contract.

XXXV. ATF is being billed and accounted for according to the agreements entered with the customers.

XXXVI. The Company had Imported 2 Bell Model 412 EP Civil Helicopter from Bell Helicopter Textron Inc for USD 201.87 Lakhs on 16th February 2017 and had paid custom duty of Rs. 359.29 Lakhs and Octroi Charges amounting to Rs. 13.83 Lakhs. The Helicopters imported were rejected by the company as the Technical Specification/Manufacturing Date did not complied as per contract. After Discussions and Meeting, the Company had entered into Settlement agreement with M/s Bell Helicopter Textron Inc (USA) on 18th Jan 2019 and had also entered into Escrow Agreement on 8th February 2019 to Re-export the Helicopters as per the terms and Conditions. An Application was submitted to Chief Commissioner of Custom as per instructions of the authority for extension of time period for re-export after expiry of 2 years' time limit. The Authority stated that period is extended by another one year. Further the Authority had granted the extension of a period of 16 days (up to 3 April 2019) to Re-export the two Bell helicopter in order to claim the Duty Draw Back. The two helicopters were Re-exported to Bell Textron USA with shipping bill dated 23/03/2019 and Flight dated 02/04/2019. An Application for Duty Draw back was made to deputy Commissioner of Custom on 01st July 2019 and Custom house Agent is following up with the Authority for this matter. The Company has received the Amount of Custom duty paid on Import of Helicopters amounting to Rs. 349.09 Lakhs during the F.Y. 2021-22.

XXXVII. Financial Instruments

i. Valuation

All financial instruments are initially recognized and subsequently re-measured at fair value except in cases where exemption provided under para D20 of Ind AS 101 was availed during transition to Ind AS as described below:

a) Fair valuation of loans to employees

Under the previous GAAP, loans to employees at concessional rate (that are recoverable in cash as per the loan terms) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the Company has fair valued these loans to employees under Ind AS except the loans existing on the date of transition. Difference between the fair value and transaction value of the loans has been recognized as expenses in the Statement of Profit and Loss for the year. Consequent to this no change in 2021 22 and the amount of loans decreased by Rs. 1.12 Lakhs as at March 31, 2021. The profit for the year and total equity as at March 31, 2021 decreased by Rs. 0.99 Lakhs due to notional interest income of Rs. 0.99 Lakhs recognized on loan to employees.

b) Security deposits

Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit is to be recognized as deferred rent. However, the company is not recognizing the security deposit at fair value because the amount of security deposit is not material.

c) The fair value of the financial instruments is determined using discounted cash flow analysis wherever applicable.

Categories of financial instruments

(Rupees in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Financial Assets		
Measured at Amortized Cost		
Non Current Assets		
a) Loans	93.08	100.83
b) Other Financial Assets	514.81	520.52
Current Assets		
a) Trade Receivables	19204.94	17300.10
b) Cash and Cash equivalents	2656.95	5234.11
c) Other Bank Balances	5200.83	8750.06
d) Loans	330.98	258.88
e) Other Financial Assets	1842.20	1741.45
Measured at Fair Value through OCI		
a) Investment in equity instruments	-	-
Measured at Fair Value through P&L		-
Financial Liabilities		
Measured at Amortized Cost		
Non Current Liabilities		
a) Borrowings	-	67.60
b) Other financial liabilities	18164.21	755.89
Current Liabilities		
a) Borrowings	-	-
b) Trade Payables	6521.03	6010.35
c) Other Financial Liabilities	5818.89	5772.70

ii. Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the company's financial assets & liabilities that are measured at fair value or where fair value disclosure is required as at 31 March, 2022:

Particulars	Total	Fair value measurement using		
		Quoted price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
FVTOCI financial assets/ liabilities	Nil	Nil	Nil	Nil
FVTPL financial assets/liabilities	Nil	Nil	Nil	Nil
Amortized cost financial assets/ liabilities	Nil	Nil	Nil	Nil

The following table provides the fair value measurement hierarchy of the company's financial assets & liabilities that are measured at fair value or where fair value disclosure is required as at 31 March, 2021

Particulars	Total	Fair value measurement using		
		Quoted price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
FVTOCI financial assets/ liabilities	Nil	Nil	Nil	Nil
FVTPL financial assets/liabilities	Nil	Nil	Nil	Nil
Amortized cost financial assets/ liabilities	Nil	Nil	Nil	Nil

iii. Foreign Currency Risk Management:-

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the company's foreign currency dominated monetary assets and monetary liabilities as of March 31, 2022 are as follows:

(Rupees in Lakhs)

Particulars	USD		Euro		Other currencies	
	Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR
Cash & Cash equivalents	5.73	437.25	0.01	0.93	-	-
Trade Receivables	10.18	766.77	-	-	-	-
Other financial assets	1.16	88.58	1.22	104.46	0.24	23.85
Trade Payables	4.11	313.93	22.16	1895.05	0.04	4.41
Other financial liabilities	0.09	6.84	-	-	-	-
Contingent liabilities	3.79	288.88	-	-	-	-

The carrying amounts of the company's foreign currency dominated monetary assets and monetary liabilities as of March 31, 2021 are as follows:

(Rupees in Lakhs)

Particulars	USD		Euro		Other currencies	
	Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR
Cash & Cash equivalents	-	-	-	-	-	-
Trade Receivables	17.91	1300.92	9.30	790.67	0.05	5.04
Other financial assets	0.13	9.85	1.87	162.63	0.04	4.46
Trade Payables	2.46	181.49	26.01	2259.01	-	-
Other financial liabilities	2.74	201.06	0.59	51.83	-	-
Contingent Liabilities	3.50	257.33	-	-	-	-

iv Foreign Currency Sensitivity Analysis:

The company is mainly exposed to the currency: USD and EUR;

The following table details the Company's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the Group at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% charge in foreign currency rate. A positive number below indicates an increase in the profit or equity where the ` strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(Rupees in Lakhs)

Particulars	USD Impact	
	As at 31 March, 2022	As at 31 March,2021
Increase in exchange rate by 5%	64.05	84.31
Decrease in exchange rate by 5%	(64.05)	(84.31)

Particulars	EURO Impact	
	As at 31 March, 2022	As at 31 March,2021
Increase in exchange rate by 5%	(79.66)	67.88
Decrease in exchange rate by 5%	79.66	(67.88)

Particulars	Other currencies Impact	
	As at 31 March, 2022	As at 31 March, 2021
Increase in exchange rate by 5%	0.03	0.03
Decrease in exchange rate by 5%	(0.03)	(0.03)

v. Interest risk

There is no interest risk relating to the company's financial liability.

vi. Credit Risk

Credit risk refers to a risk that the counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk arises on liquid assets, non-current financial assets, derivative assets, trade and other receivables. The company does not have any derivative assets and in respect of cash and cash equivalents, the said amount is in current account with Scheduled Bank where chances of default are minimum. The maximum exposure to the credit risk is equal to the carrying amount of the company's other financial Assets.

vii Credit Risk management :

A. Trade Receivables

The credit risk has always been managed by the group through an assessment of the companies financials, market intelligence and customers credibility. The company makes provisions for Debtors based on a critical assessment of the amount in relation to the ageing combined with the historical trend observed in the respective geography, the past history of the client and comparison with similar projects to determine the recoverability of the receivables

B. Other Financial Assets

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding looking information.

viii Credit Risk Exposure :

A. Trade Receivables

As certified by the consultants, lifetime expected credit loss allowance has been computed based on a matrix which takes into account historical credit loss experience and has been adjusted for forward- looking information.

The carrying amount of trade receivables represents the maximum credit exposure from customers. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 28558.73 Lakhs (P.Y. Rs. 26975.30 Lakhs).

Reconciliation of Loss allowance provision – Trade receivables:

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Balance at the beginning of the Year	9675.20	7985.31
Impairment Loss recognized / Reversed	(305.28)	1689.89
Amount Written Off	Nil	Nil
Balance at the end of the Year	9369.92	9675.20

B. Other Financial Assets

The carrying amount of other financial assets represents interest accrued on employee Loans, Insurance claims receivables, outstanding Income including unbilled revenue etc. The maximum exposure to credit risk is Rs. 3403.73 Lakhs (P.Y. Rs. 3308.69 Lakhs). The 12 months expected credit loss / lifetime expected credit loss on these financial assets for the financial year under review is Rs. 1046.72 Lakhs (P Y Rs. 1046.72 Lakhs).

Reconciliation of Loss allowance provision – Other Financial Assets:

(Rs. in Lakhs)

Particulars	2021-22		2020-21	
	12 Months expected losses	life time expected losses	12 Months expected losses	life time expected losses
Balance at the beginning of the Year	Nil	1046.72	Nil	911.60
Add/(Less): changes in loss allowances due to changes in risk parameters	Nil	Nil	Nil	135.12
Balance at the end of the Year	Nil	1046.72	Nil	1046.72

ix. Liquidity Risk -

Liquidity risk is the risk that the company may encounter difficulties in meeting its obligation associated with financial liabilities that are settled with delivering cash or other financial assets. The Company believes that its working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The details regarding the contractual maturities of significant financial liabilities as on 31 March, 2022 are as follows:

(Rupees in Lakhs)

Particulars	Less than 1 year	1-5 years	5+ years	Total	Carrying amount
Borrowings	67.60	-	-	67.60	67.60
Trade Payables	6521.03	-	-	6521.03	6521.03
Other financial liabilities	5100.70	45.51	-	5146.21	5146.21

The details regarding the contractual maturities of significant financial liabilities as on 31 March, 2021 are as follows:

(Rupees in Lakhs)

Particulars	Less than 1 year	1-5 years	5+ years	Total	Carrying amount
Borrowings	785.49	67.60	-	853.09	853.09
Trade Payables	6010.35	-	-	6010.35	6010.35
Other financial liabilities	4825.33	47.04	-	4872.37	4872.37

XXXVIII. Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through optimization of debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

(Rupees in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Borrowings	67.60	853.09
Trade Payables	6521.03	6010.35
Other Financial Liabilities	5146.20	4872.37
Net Debt	**11734.83**	**11735.81**
Equity Share Capital	55748.20	55748.20
Other Equity	41252.46	43117.72
Total Capital	**97000.66**	**98865.92**
Capital & Debt	**108736.60**	**110601.73**
Gearing Ratio	0.12	0.12

XXXIX. Ageing Analysis:

(A) Trade Receivable

(a) Trade Receivables ageing schedule: As at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 to 2 years	2 to 3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	12,948.99	1963.33	2299.75	2147.31	9215.48	28574.86
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil
(iii) Undisputed Trade Receivables – credit impaired	Nil	Nil	Nil	Nil	Nil	Nil
(iv) Disputed Trade Receivables– considered good	Nil	Nil	Nil	Nil	Nil	Nil
(v) Disputed Trade Receivables – which have significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil
(vi) Disputed Trade Receivables – credit impaired	Nil	Nil	Nil	Nil	Nil	Nil

(b) Trade Receivables ageing schedule: As at 31st March, 2021

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 to 2 years	2 to 3 Years	More than 3 years	Total
(i) Undisputed Trade receivables –considered good	11,904.55	2,880.18	2,750.75	2,635.05	6,804.77	2,6975.30
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil
(iii) Undisputed Trade Receivables – credit impaired	Nil	Nil	Nil	Nil	Nil	Nil
(iv) Disputed Trade Receivables–considered good	Nil	Nil	Nil	Nil	Nil	Nil
(v) Disputed Trade Receivables – which have significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil
(vi) Disputed Trade Receivables – credit impaired	Nil	Nil	Nil	Nil	Nil	Nil

(B) Trade Payable

(a) Trade Payables ageing schedule: As at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) MSME	91.86	Nil	Nil	Nil	91.86
(ii) Others	4199.55	1102.27	889.22	238.13	6429.17
(iii) Disputed dues – MSME	Nil	Nil	Nil	Nil	Nil
(iv) Disputed dues - Others	Nil	Nil	Nil	Nil	Nil

(b) Trade Payables ageing schedule: As at 31st March, 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) MSME	26.26	Nil	Nil	Nil	26.26
(ii) Others	4131.20	920.74	719.70	212.46	5984.10
(iii) Disputed dues – MSME	Nil	Nil	Nil	Nil	Nil
(iv) Disputed dues - Others	Nil	Nil	Nil	Nil	Nil

(C) Capital Work In Progress

Capital Work In Progress ageing schedule: As at 31st March, 2022

(Rs. In Lakhs)

Capital Work In Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Project in progress	924.85	NIL	4.07	NIL	928.93
Projects temporarily suspended	NIL	NIL	NIL	64.59	64.59

Capital Work In Progress ageing schedule: As at 31st March, 2021

(Rs. In Lakhs)

Capital Work In Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Project in progress	28.75	4.07	Nil	Nil	32.82
Projects temporarily suspended	Nil	Nil	Nil	64.59	64.59

XXXX. Previous year figures have been regrouped wherever considered necessary to correspond with current year figure.

XXXXI. During the year, company has identified material prior period adjustments for years prior to financial year 2019-20, due to which 3rd column of the balance sheet i.e. figures as on 01st April, 2019 has been stated.

XXXXII. Relationship with Struck off Companies

The Region does not have any transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956, during the current year and in the previous year.

XXXXIII. Details of Benami Property Held

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

XXXXIV. Undisclosed Income

The Company has not entered into any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant Provisions of the Income Tax Act, 1961).

XXXXV. Details of Crypto Currency or Virtual Currency

The Company has neither invested nor traded in Crypto currency or Virtual Currency during the current year and in the previous year.

XXXXVI. We have complied with all labour laws wherever applicable and known liabilities on account of labour cess, professional tax, GST, minimum wages, Provident Fund, Employees state insurance, have been duly disclosed and there are no other known statutory non compliances which are not recorded in the books of account.

XXXXVII. Impact of Covid -19

The Company has considered the possible effects that may result from the pandemic relating to carrying amounts of receivables, inventories, Property, Plant and Equipment. In developing the assumptions relating to the possible future uncertainty in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources. Based on company's current estimates, the carrying value of these assets will be recovered. Further, the pandemic has created a big disruption in everything including economic activities and the company is no exception to that. However, the management has taken appropriate steps to minimize the impact of COVID19. The Government of India had declared national lockdown with effect from March 25, 2020. Since operations of the company for service provided to Oil and Gas sector and state governments were classified under essential services, there has been no significant impact on the revenue for the period up to 31^{st} March 2022. However, it will have significant impact on the following year owing to reduction in flying, delay in recovery of debts from State governments/ UTs/ PSUs. The management is in the process of quantifying the impact of the same.

Notes 1 to 32 form an integral part of the financial Statements.

This is the Notes to Accounts referred to in our report of even date.

For S. S. Periwal & Co.
Chartered Accountants
Firm Registration No. 001021N

For & on Behalf of Board of Directors

Sd/-
Anand Grover
Partner
Membership No.097954

Sd/-
Sanjeev Razdan
Chairman-Cum-Managing Director
DIN 08711596

Sd/-
Ranjit Singh Chauhan
Company Secretary
Membership No.F8785

Sd/-
Ajay Gupta
Chief Financial Officer
Membership No.079580

Place : New Delhi
Date : 21.10.2022
UDIN : 22097954BAOPHH4555

Place : Noida

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF PAWAN HANS LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of PAWAN HANS LIMITED for the year ended 31 March, 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit is accordance with standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 October 2022.

I, on behalf of the Comptroller and Auditor General of India , have conducted a supplementary audit of the financial statement of PAWN HANS LIMITED for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

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

A. Comment on Profitability

Statement of Profit and Loss

Other Income Rs 2708.37 Lakh (Note No.23)

The other income is understated due to non-booking of lay-up refund approved (March 2022) by the insurance company amounting to Rs 236.47 lakh for the period 01 April 2021 to 31 July 2021. Non-booking of the same has resulted in understatement of Other Income and Other Financial Assets (Insurance Claim receivable) by Rs 236.47 lakh, consequently loss is also overstated to the same extent.

B. Comments on Financial Position

Non- Current Assets

Capital work in Progress Rs 928.92 lakh (note 3.1)

The above includes an amount of Rs 24.95 lakh incurred towards water proofing treatment of building roofs at PHL, Juhu Aerodrome and Mumbai. As the work of repair and maintenance was revenue in the nature, the expenditure on the same should have been booked under Other

Expenses instead of Capital work in progress. This has resulted in overstatement of Capital work in Progress and understatement of other expenses by Rs 24.95 lakhs and consequently, loss is also understated to the same extent.

C. Comment on Cash Flow Statement
Notes no.3 below the Cash Flow Statement.

The above note is deficient as the margin money included in the cash and cash equivalent amount to Rs 4142.51 lakh instead of Rs 4483.66 lakh as disclosed in the above note.

D. Comments Independent Auditor's Report.
1. Annexure Á' to Independent Auditor's Report

i.A reference is invited to para (i) (a) (B) of Annexure-A to the Independent Auditors Report, wherein in compliance to disclosure requirement as per Companies Auditor's Report Order 2020 relating to intangible assets, it has been stated that the Company has no intangible assets and hence the said sub clause is not applicable to the Company. The above note is deficient as the company is using an Integrated Information System Package developed by M/s TCS Ltd and same has also been disclosed under Note No 4 (Intangible Asset) forming part of the financial statements.

ii. Para (vii) (b)of annexure A to the auditor's report disclose disputed statutory dues amounting to Rs 2997.00 lakh for AY 1997-98 pending at Income Tax Appellate Tribunal (ITAT), Delhi. This has rendered the auditor report deficient as the said case has been decided in favour of the Company in August 2021 and is not pending with ITAT Delhi as on 31 March 2022.

2. Annexure 'C' to Independent Auditor's Report.

In compliance to directions under section 143 (5) of Companies Act, 2013 issued by the Comptroller & Auditor General of India, the statutory auditor has reported that all the accounting transactions of the company are processed region-wise through separate IT system. The above disclosure is deficient as the company has centralized integrated system for accounting .

For and on behalf of the
Comptroller and Auditor General of India

Sd/-
(Atoorva Sinha)
Principal Director of Audit
(Infrastructure), New Delhi

Place : New Delhi
Date : 10.01.2023

75 Azadi Ka Amrit Mahotsav

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