

Sharma, Marcus & Associates LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Membership:

AICPA
NJSCPA
NATP
BBB

May 17, 2021

To Whom It May Concern:

Dear Sir/Madam,

First Airways Inc.
Financial Statements
For the Years Ended March 31, 2021 and 2020

First Airways Inc.
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March 31, 2021 and 2020

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Independent Auditors' Report

To the Shareholders of

First Airways Inc.

Report on the Financial Statements

We have audited the accompanying balance sheets of First Airways Inc. (the "Company") as of March 31, 2021 and 2020 and the related statements of operations and accumulated deficit and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of First Airways Inc. as of March 31, 2021 and 2020 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Krishan Sharma
Monmouth Junction, NJ
May 17, 2021

First Airways Inc.
Balance Sheet
March 31, 2021 and 2020

Particulars	March 31,	
	2021	2020
Assets		
Current assets		
Cash	\$ 96,943	\$ 1,06,257
Accounts receivable	-	-
Advance to creditor	-	-
Aircraft purchase option - Current	-	-
Total Current assets	<u>96,943</u>	<u>1,06,257</u>
Aircraft purchase option - Non-current	-	-
Total Assets	<u>\$ 96,943</u>	<u>\$ 1,06,257</u>
Liabilities and stockholder's equity		
Current liabilities		
Accounts payable	\$ -	\$ -
Advance from customer	-	-
Total Current liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
Stockholder's equity		
Common stock of \$1 par		
11,050,000 shares authorized		11,50,000
1,150,000 shares issued and outstanding	11,50,000	11,50,000
Accumulated Deficit	<u>(10,53,057)</u>	<u>(10,43,743)</u>
Total Stockholder's equity	<u>96,943</u>	<u>1,06,257</u>
Total Liabilities and stockholder's equity	<u>\$ 96,943</u>	<u>\$ 1,06,257</u>

The accompanying notes are an integral part of these financial statements.

First Airways Inc.
Statements of Operations and Accumulated Deficit
March 31, 2021 and 2020

Particulars	March 31,	
	2021	2020
Sale	\$ -	\$ 52,438
Cost of goods sold	-	48,759
Gross profit	-	3,679
Operating expenses		
General and administrative expenses	4,464	28,320
Interest expense	-	-
Total Cost and expenses	<u>4,464</u>	<u>28,320</u>
Profit before income tax	(4,464)	(24,641)
Income taxes	4,850	4,850
Net (Loss) / Income	<u>(9,314)</u>	<u>(29,491)</u>
Accumulated deficit, beginning	<u>(10,43,743)</u>	<u>(10,14,252)</u>
Accumulated deficit, ending	<u>\$ (10,53,057)</u>	<u>\$ (10,43,743)</u>

The accompanying notes are an integral part of these financial statements.

First Airways Inc.
Statements of Cash Flows
March 31, 2021 and 2020

Particulars	March 31,	
	2021	2020
Cash flows from operating activities		
Net (Loss) / income	\$ (9,314)	\$ (29,491)
Adjustments to reconcile net (loss) / income to net cash from operating activities:		
Amortization	-	21,731
Increase / (decrease) in cash attributable to changes in operating assets and liabilities:		
(Increase) / Decrease in Accounts Receivable	-	5,53,958
(Increase) / Decrease in Accounts Payable	-	(7,77,184)
Increase / (Decrease) in Advance from customer	-	(50,378)
Increase / (Decrease) in Advance to creditor	-	-
Net cash (used in) / provided by operating activities	(9,314)	(2,81,364)
Net increase / (decrease) in cash	(9,314)	(2,81,364)
Cash		
Beginning	1,06,257	3,87,621
Ending	<u>\$ 96,943</u>	<u>\$ 1,06,257</u>
Supplemental disclosures of cash flow information		
Cash paid for:		
Income Tax	<u>\$ 4,850</u>	<u>\$ 4,850</u>

The accompanying notes are an integral part of these financial statements.

First Airways Inc.
Notes to Financial Statements
Years ended March 31, 2021 and 2020

1. Organization

First Airways Inc. (First Airways Inc. or the "Company") was incorporated on November 21, 2007 in the state of Delaware. It is a wholly owned subsidiary of TAAL Enterprises Ltd. ("TEL") a company incorporated in India. TEL was formed as a result of demerger of charter division of Taneja Aerospace & Aviation Limited (TAAL) under the scheme of demerger.

First Airways Inc. was initially set up to establish, maintain, provide, and operate air services and chartered services for carriage of passengers, mails, documents, parcels and freight by airplanes, aircrafts or other means of transport in USA or elsewhere. Effective, the year ended March 31, 2017, the Company began buying and selling of steel seamless tubes.

2. Summary of Significant Accounting Policies

Cash

The Company maintains its cash balances in one financial institution, which at times may exceed the federally-insured limits. As of March 31, 2021, the Company has no balances at any financial institutions which exceeded the federally-insured limits. The Company has not experienced any losses in such accounts.

Accounts Receivable

As on March 31, 2021 and 2020, accounts receivable is Nil.

Aircraft Purchase Option

Aircraft purchase options are recorded at cost on the date of acquisition.

Aircraft purchase option was amortized over the following estimated useful lives or the legal life (as per the amended agreement dated September 20, 2018), whichever is lower.

Aircraft purchase option has been terminated by Cessna Finance Corporation on January 05, 2021.

Use of Estimates

In preparing the Company's financial statements in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

Authoritative guidance on accounting for income taxes requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on differences between the financial statement and tax bases of assets and liabilities, using enacted tax rates in effect for the year in which the difference are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to amounts expected to be realized.

The Company follows the authoritative guidance relating to uncertainty in income taxes which prescribes a comprehensive model for the manner in which a company should recognize, measure, present and disclose in its financial statements all material uncertain tax positions that they have taken or expect to take on a tax return. As of March 31, 2021 and 2020, the only tax jurisdiction to which the Company is subject is the United States. Open tax years relate to years in which unused net operating losses were generated. As of the adoption of this authoritative guidance, the Company's open tax years extend back to 2008. In the event that the Company concludes that it is subject to interest and/or penalties arising from uncertain tax positions, the Company will present interest and penalties as a component of income taxes. No amounts of interest or penalties were recognized in the Company's statements of operations or balance sheets upon adoption of this authoritative guidance or as of and for the years ended March 31, 2021 and 2020.

Subsequent Events

In preparing these financial statements, the Company has evaluated subsequent events through May 17, 2021, which is the date that the financial statements were available for issuance. All appropriate subsequent event disclosures, if any, have been made in the notes to the financial statements.

3. Aircraft Purchase Option

Particulars	2021	2020
	<hr/>	<hr/>
Aircraft purchase option	-	\$ 9,26,737
Less: Accumulated amortization	-	\$ (9,26,737)
	<hr/>	<hr/>
	-	-
Aircraft purchase option - current portion	-	-
	<hr/>	<hr/>
Balance	-	-
	<hr/>	<hr/>

On December 11, 2007, the Company purchased an aircraft purchase option vide option agreement ("agreement") for Cessna aircraft 525A; Serial Number 525A-0373 ("aircraft") from Cessna Finance corporation ("CFC"). The said aircraft is leased to TAAL (the erstwhile parent company) vide aircraft lease No. 01-0043297-0010559-01 ("aircraft lease"), dated December 11, 2007 for a term of 120 months. As per the agreement, the Company has an option to purchase the Cessna aircraft subject to aircraft lease on any monthly lease rental payment date or on the last day of the term of the lease. In the event this option is exercised, the company shall, on or before the date of purchase, pay CFC the Stipulated Loss Value of the aircraft plus all other sums then due under the aircraft lease or under any other agreements, which will be considered as the "Purchase Option Price".

On September 20, 2018, the Company entered into an amendment no. 2 to this agreement whereby the purchase option period has been extended to September 12, 2020 effective from August 12, 2018.

The said Purchase Option Agreement has been terminated on January 05, 2021.

4. Income Taxes

The following is the summary of items giving rise to deferred tax assets:

Particulars	As at March 31, 2021	As at March 31, 2020
Net operating loss carry forwards	\$ 2,70,250	\$ 2,60,936
Non-current deferred tax assets, net	\$ 2,70,250	\$ 2,60,936
Less: Valuation allowance	\$ (2,70,250)	\$ (2,60,936)

At March 31, 2021, the Company had available net operating loss carry forwards of approximately \$1,053,057 for Federal and state income tax purposes, which expire in 2028 through 2037. Deferred tax assets are related to the Company's net operating losses to be carried forward for Federal and state tax purposes. At March 31, 2021 and 2020, management believed that a deferred tax asset valuation allowance was deemed necessary given the current estimates of future taxable income and its evaluation of the likelihood that all deferred tax assets will be realized.