

Independent Auditor's Report

To the Members of Karnavati Aviation Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of Karnavati Aviation Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, 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 a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS Financial Statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 applicable Indian Accounting Standards (Ind AS) prescribed 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS Financial Statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS Financial Statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2018 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Independent Auditor's Report

To the Members of Karnavati Aviation Private Limited (Continue)

Other Matter

The comparative financial information of the Company for the year ended 31st March 2017 included in these Financial Statements were audited by previous auditor, whose audit report on these comparative financial statements expressed unmodified opinion which we have relied upon.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, the Statement Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. on the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' to this report;
 - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements;
 - ii. The Company has made provision as at 31st March, 2018, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts. – Refer Note 36 to the financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **SHAH DHANDHARIA & CO**
Chartered Accountants
Firm Registration No – 118707W

Place : Ahmedabad
Date : April 27, 2018

Pravin Dhandharia
Partner
Membership No. 115490

Annexure – A to the Independent Auditor’s Report
RE: Karnavati Aviation Private Limited

(Referred to in Paragraph 1 of our Report of even date)

The Annexure referred to in our Independent Auditor’s Report to the members of the Company on the Ind AS Financial Statements for the year ended 31st March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business.
- (c) According to the information and explanations given to us and representations made by the Management, the Company does not have any immovable property except temporary structures, which have been fully depreciated. Accordingly the provisions of paragraph 3 (i) (c) of the Order are not applicable.
- (ii) The Company being in the service industry is primarily carrying inventory in the nature of stores and spares. The management has conducted physical verification of such inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanation given to us and the records produced to us for our verification, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions of paragraph 3 (iii) (a) to (c) of the Order are not applicable.
- (iv) According to the information and explanations given to us and representations made by the Management, the Company has not done any transactions covered under section 185 and 186 in respect of loans, investments, guarantees and security. Accordingly the provisions of paragraph 3 (iv) of the Order are not applicable.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) According to the information and explanations given to us, in our opinion, the maintenance of cost records under section 148(1) of the Act as prescribed by the Central Government are 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 income tax, sales tax, service tax, goods and service tax (GST), duty of customs, value added tax, cess, provident fund and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees’ state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, service tax, duty of customs, value added tax, cess, provident fund and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

Annexure to the Independent Auditor's Report (Continue)**RE: Karnavati Aviation Private Limited**

(Referred to in Paragraph 1 of our Report of even date)

- (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, value added tax, cess, provident fund etc. which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of duty of customs and service tax have not been deposited by the Company on account of disputes:

Name of Statute	Nature of the dues	Forum where dispute is pending	Amount (*) (INR)	Amount paid under protest (INR)	Period to which the amount relates
Finance Act, 1994	Service Tax	Appellate Tribunal	3,71,30,634	35,00,000	2008-2009 & 2009-2010
Customs Act, 1962	Customs Duty	Appellate Tribunal	29,34,30,972	Nil	2008-2009
		Assessing Authority	36,65,63,102	Nil	2009-2010

(*)Including Interest/ Penalty where the notice specifies the same.

- (viii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank or financial institution during the year. The company has not borrowed funds from government or from any debenture holders.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid /provided except director sitting fees. Accordingly the provisions of Clauses 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a nidhi Company. Accordingly the provisions of Clauses 3 (xii) of the Order are not applicable.
- (xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 177 and 188 of Companies Act 2013 and all the details have been disclosed in Ind AS Financial Statements as required by the applicable Accounting Standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any debenture during the year under review. Accordingly the provisions of paragraph 3(xiv) of the Order are not applicable.

Annexure to the Independent Auditor's Report (Continue)

RE: Karnavati Aviation Private Limited

(Referred to in Paragraph 1 of our Report of even date)

- (xv) According to the information and explanations given to us and on the basis of our examination of the records, Company has not entered into any non-cash transactions with any director or any person connected with him. Accordingly the provisions of Clauses 3(xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable.

For **SHAH DHANDHARIA & CO**
Chartered Accountants
Firm Registration No – 118707W

Place : Ahmedabad
Date : April 27, 2018

Pravin Dhandharia
Partner
Membership No. 115490

Annexure – B to the Independent Auditor’s Report

RE: Karnavati Aviation Private Limited

(Referred to in paragraph 2 (f) of our Report of even date)

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

We have audited the internal financial controls over financial reporting of the Company as of 31st March, 2018 in conjunction with our audit of the Ind AS Financial Statements of the company for the year ended on that date.

Management’s Responsibilities for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

Annexure – B to the Independent Auditor’s Report (Continue)

RE: Karnavati Aviation Private Limited

(Referred to in paragraph 2 (f) of our Report of even date)

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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.

For **SHAH DHANDHARIA & CO**
Chartered Accountants
Firm Registration No – 118707W

Place : Ahmedabad
Date : April 27, 2018

Pravin Dhandharia
Partner
Membership No. 115490

Karnavati Aviation Private Limited
Balance Sheet as at March 31, 2018

Amt in ₹

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,41,21,42,595	2,57,90,09,237
Other Intangible assets	3	1,55,320	2,61,684
Non-current financial assets			
Investments	4	-	60,000
Other financial assets	6	1,20,68,700	1,20,68,700
Other non-current assets	7	1,51,22,239	69,61,401
		2,43,94,88,854	2,59,83,61,022
Current assets			
Inventories	8	1,25,41,592	1,01,36,376
Financial assets			
Trade receivables	5	55,87,09,862	45,15,97,660
Cash and cash equivalents	9	1,25,25,45,045	54,26,628
Other current financial assets	6	11,66,914	17,26,832
Other current assets	7	89,23,636	33,27,41,320
		1,83,38,87,049	80,16,28,816
	Total Assets	4,27,33,75,903	3,39,99,89,838
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10	45,00,00,000	45,00,00,000
Other equity			
Deemed equity	11	42,35,03,819	5,90,72,437
Retained earnings	11	(60,81,16,151)	(56,90,57,463)
	Total Equity	26,53,87,668	(5,99,85,026)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	12	2,20,81,33,463	1,33,30,32,899
Provisions	15	21,64,832	48,31,213
		2,21,02,98,295	1,33,78,64,112
Current liabilities			
Financial liabilities			
Borrowings	12	1,31,11,94,489	21,36,00,000
Trade payables	17	2,45,31,916	4,09,86,440
Other current financial liabilities	13	41,68,77,669	1,86,29,58,180
Other current liabilities	16	4,38,49,437	31,73,846
Provisions	15	12,36,429	13,92,286
		1,79,76,89,940	2,12,21,10,752
	Total liabilities	4,00,79,88,235	3,45,99,74,864
	Total equity and liabilities	4,27,33,75,903	3,39,99,89,838
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of financials statements
As per our report of even date

For SHAH DHANDHARIA & CO.
Chartered Accountants
ICAI Firm Registration No.: 118707W

For and on behalf of Board of Directors of
Karnavati Aviation Private Limited

Pravin Dhandharia
Partner
Membership No. 115490

Jay H. Shah
Director
DIN: 00005709

Shrikumar Nair
Director & Manager
DIN: 03035537

Anish Shah
Chief Financial Officer

Abhishek Sinha
Company Secretary

Place: Ahmedabad
Date: April 27,2018

Place: Ahmedabad
Date: April 27,2018

Karnavati Aviation Private Limited
Statement of Profit and Loss for the year ended March 31, 2018

Amt in ₹

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME			
Revenue from operations	18	55,10,63,174	66,06,69,337
Other income	19	16,35,840	26,63,332
Total income		55,26,99,014	66,33,32,669
EXPENSES			
Operating expenses	20	9,81,04,263	11,36,19,028
Employee benefits expense	21	5,70,39,228	5,33,78,366
Depreciation and amortization expenses	3	17,23,97,935	17,32,13,104
Finance costs	22	16,02,30,352	21,33,79,310
Other expenses	23	10,39,66,841	13,80,84,275
Total expense		59,17,38,619	69,16,74,083
(Loss) before exceptional items and tax		(3,90,39,605)	(2,83,41,414)
Exceptional items		-	-
(Loss) before tax		(3,90,39,605)	(2,83,41,414)
Tax expense:			
Current tax		-	-
Income tax expense		-	-
(Loss) for the year		(3,90,39,605)	(2,83,41,414)
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains / (losses) on defined benefit plans		(19,083)	10,60,384
Income tax effect		-	-
		(19,083)	10,60,384
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
		-	-
Other comprehensive income for the year		(19,083)	10,60,384
Total comprehensive income for the year		(3,90,58,688)	(2,72,81,030)
Basic and diluted earnings per equity shares (in ₹) face value of ₹ 10 each	27	(0.87)	(0.63)
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of financials statements
As per our report of even date

For SHAH DHANDHARIA & CO.
Chartered Accountants
ICAI Firm Registration No.: 118707W

**For and on behalf of Board of Directors of
Karnavati Aviation Private Limited**

Pravin Dhandharia
Partner
Membership No. 115490

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Anish Shah
Chief Financial Officer

Abhishek Sinha
Company Secretary

Place: Ahmedabad
Date: April 27,2018

Place: Ahmedabad
Date: April 27,2018

Karnavati Aviation Private Limited
Statement of Changes in Equity for the year ended March 31, 2017

Amt in ₹

Particulars	Equity Share Capital	Other Equity		Total
		Equity Component of Borrowing	Reserves and Surplus Retained Earning	
As at on April 01, 2016	45,00,00,000	5,25,74,834	(54,17,76,433)	(3,92,01,599)
Profit for the year			(2,83,41,414)	(2,83,41,414)
Changes during the year for movement in interest free loan		64,97,603		64,97,603
Other Comprehensive Income			10,60,384	10,60,384
Total Comprehensive Income for the year	-	64,97,603	(2,72,81,030)	
Balance as at March 31, 2017	45,00,00,000	5,90,72,437	(56,90,57,463)	(5,99,85,026)

Statement of Changes in Equity for the year ended March 31, 2018

Amt in ₹

Particulars	Equity Share Capital	Other Equity		Total
		Equity Component of Borrowing	Reserves and Surplus Retained Earning	
Balance as on April 01, 2017	45,00,00,000	5,90,72,437	(56,90,57,463)	(5,99,85,026)
(Loss) for the year			(3,90,39,605)	(3,90,39,605)
Changes during the year for movement in interest free loan		36,44,31,382		36,44,31,382
Other Comprehensive Income			(19,083)	(19,083)
Total Comprehensive Income for the year	-	36,44,31,382	(3,90,58,688)	32,53,72,694
Balance as at March 31, 2018	45,00,00,000	42,35,03,819	(60,81,16,151)	26,53,87,668

For SHAH DHANDHARIA & CO.
Chartered Accountants
ICAI Firm Registration No.: 118707W

For and on behalf of Board of Directors of
Karnavati Aviation Private Limited

Pravin Dhandharia
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Membership No. 115490

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Anish Shah
Chief Financial Officer

Abhishek Sinha
Company Secretary

Place: Ahmedabad
Date: April 27,2018

Place: Ahmedabad
Date: April 27,2018

Karnavati Aviation Private Limited
Statement of Cash Flows for the year ended March 31, 2018

Amt in ₹

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from operating activities		
(Loss) before tax as per statement of profit and loss	(3,90,39,605)	(2,83,41,414)
Adjustments for:		
Excess provision written back	(6,47,371)	-
Depreciation and amortisation	17,23,97,935	17,32,13,104
Interest income	(41,687)	-
Net (gain)/loss on sale of current investments	(9,46,782)	(1,07,161)
Interest expense	15,71,76,173	20,50,86,140
Unrealised foreign exchange (gain) / loss	7,147	(4,202)
Unrealised (gain)/loss on derivative swap contracts (net)	(62,20,785)	51,50,157
Realised (gain)/loss on derivative swap contracts (net)	92,74,964	31,43,013
Operating profit before working capital changes	29,19,59,989	35,81,39,637
Movements in working capital :		
(Increase)/Decrease in trade receivables	(10,71,12,202)	(7,63,49,114)
(Increase)/Decrease in inventories	(24,05,216)	(11,49,848)
(Increase)/Decrease in financial assets	5,59,918	(9,02,661)
(Increase)/Decrease in other assets	32,39,08,105	(32,47,02,746)
Increase/(Decrease) in trade payables	(1,64,61,672)	1,61,84,720
Increase/(Decrease) in other liabilities	3,84,81,641	(11,09,454)
Increase/(Decrease) in financial liabilities	(49,910)	24,49,277
Cash generated (used in) from operations	52,88,80,653	(2,74,40,189)
Direct taxes paid / (used in) (net)	(82,51,249)	2,00,40,688
Net cash inflow from / (used in) from operating activities (A)	52,06,29,404	(73,99,501)
Cash flows from investing activities		
Purchase of property, plant and equipment	(97,198)	(1,94,735)
Proceeds from sale of investments	60,000	-
Interest received	41,687	-
Purchase/sale of investment in Liquid Mutual Fund (net)	9,46,782	1,07,161
Net cash inflow from / (used in) investing activities (B)	9,51,271	(87,574)
Cash flows from financing activities		
Repayment of long-term borrowings	(30,46,27,091)	(21,55,83,972)
Proceeds from inter corporate deposit (including short-term)	1,42,80,00,000	46,97,00,000
Repayment of intercorporate deposit (including short-term)	(33,04,05,511)	(16,40,00,000)
Loss on derivative swap contracts	(92,74,964)	(31,43,013)
Interest paid	(5,81,54,692)	(7,78,81,971)
Net cash inflow from / (used in) financing activities (C)	72,55,37,742	90,91,044
Net increase / (decrease) in cash & cash equivalents (A + B + C)	1,24,71,18,417	16,03,969
Cash and cash equivalents at the beginning of the year	54,26,628	38,22,659
Cash and cash equivalents at the end of the year (Refer note-9)	1,25,25,45,045	54,26,628

Notes:

Component of cash and cash equivalents

Cash on hand

Balances with scheduled bank

On current accounts

Total cash and cash equivalents

	1,25,25,45,045	54,26,628
Total cash and cash equivalents	1,25,25,45,045	54,26,628

Summary of significant accounting policies - 2.1

(1) The Cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 on Cash Flow Statements notified under section 133 of The Companies Act, 2013, read together with paragraph 7 of the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

(2) Disclosure required under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is presented in note -

The accompanying note are an integral part of the financial statements

As per our report of even date

For SHAH DHANDHARIA & CO.
Chartered Accountants
ICAI Firm Registration No.: 118707W

For and on behalf of Board of Directors of
Karnavati Aviation Private Limited

Pravin Dhandharia
Partner
Membership No. 115490

Jay H. Shah
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DIN: 00005709

Shrikumar Nair
Director & Manager
DIN: 03035537

Anish Shah
Chief Financial Officer

Abhishek Sinha
Company Secretary

Place: Ahmedabad
Date: April 27,2018

Place: Ahmedabad
Date: April 27,2018

Karnavati Aviation Private Limited

Notes to Financial statements for the year ended March 31, 2018

1 Corporate information

Karnavati Aviation Private Limited ('KAPL', 'the Company'), is in the business of providing aviation services under the category of Non-Scheduled Operator. KAPL is wholly owned subsidiary company of Adani Ports & Special Economic Zone Limited. Presently, company owns and operates three Aircraft.

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The Financial Statements have been prepared on the historical cost basis, except for certain financial instrument which are measured at fair value at the end of each reporting period, as explained in accounting policies below.

In addition, the financial statements are presented in INR.

2.1 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Inventories

Stores and Spares:

- Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis.
- Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.
- Net Realizable Value in respect of store and spares is the estimated current procurement price in the ordinary course of the business.

c) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

d) Property, plant and equipment (PPE)

Property, plant and equipment (including Capital work in progress) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, The company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Company adjusts exchange differences arising on translation difference/settlement of long term foreign currency monetary items outstanding as at March 31, 2016 and pertaining to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset. The depreciation on such foreign exchange difference is recognised from first day of the financial year.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013. The Identified component of fixed assets are depreciated over their useful lives and the remaining components are depreciated over the life of the principal assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

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

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Karnavati Aviation Private Limited

Notes to Financial statements for the year ended March 31, 2018

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Estimated Useful Life
Software	5 Years or useful life whichever is less

f) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Rendering of services

Income from services is recognised based on the terms of agreements as and when the services are rendered and are net of service tax.

Income from mutual fund

Profit / (loss) on sale of investment are recognised on the contract date.

g) Foreign Currency Translation

The Company's financial statements are presented in INR, which is also the parent company's functional currency. The Company determines the functional currency and items included in the financial statements of are measured using that functional currency.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition.

ii) Translation

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date

iii) Exchange Differences

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception stated under Clause 3.1 (b), for which the treatment is as below:

Exchange differences arising on long-term foreign currency monetary items (including funds used for projects work in progress) related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset

h) Employees Retirement Benefits

i) Defined contribution plan : Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

ii) Defined benefit plan : The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- > Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- > Net interest expense or income

iii) Compensated absences : Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The company measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimate that has accumulated at the reporting date.

iv) Short term employee benefits: They are recognised at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are received.

i) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long - term investments. Long - term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. 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.

k) Segment Reporting

In accordance with the Ind-As 108 -" Operating Segments" , the Company has determined its business segment as Aviation services. Since there are no other business segments in which the Company operates, there are no other primary reportable segments. Therefore, the segment revenue, results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statement.

l) Related Party Transactions

Disclosure of transactions with Related Parties, as required by Ind-As 24 "Related Party Disclosures" has been set out in a separate note. Related parties as defined under Ind-As 24 have been identified on the basis of representations made by key managerial personnel and information available with the Company.

m) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

n) Earnings per share

The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year.

o) Taxes**i) Current income tax**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date. Provision for current year tax has not been made in absence of taxable profit.

Current income tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except

> When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

> When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

p) Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, The Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of The company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Intangible assets with indefinite useful lives are tested for impairment annually as at year end at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

q) Provisions**General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

r) Expenditure

Expenditures are accounted net of taxes recoverable, wherever applicable.

s) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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 by the Company

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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) market 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 re-assessing 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.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

External valuers are involved for valuation of unquoted financial assets and financial liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Management. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with The Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per The Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on a yearly basis.

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.

t) 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.

Financial assets

Initial recognition and measurement

All financial assets, except investment in subsidiaries, associates and joint ventures are recognised initially at fair value.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

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

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Karnavati Aviation Private Limited

Notes to Financial statements for the year ended March 31, 2018

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, The Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- > The rights to receive cash flows from the asset have expired, or
- > The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure ;

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances
- b) Financial assets that are debt instruments and are measured as at other comprehensive income (FVTOCI)
- c) Lease receivables under Ind AS 17
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- > Trade receivables or contract revenue receivables; and
- > All lease receivables resulting from transactions within the scope of Ind AS 17

Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk said initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / (expense) in the statement of profit and loss (P&L). This amount is reflected under the head " Other Expense" in the P&L.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives, as appropriate.

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, The Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at FVTPL.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value through profit or loss (FVTPL), adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

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

u) Derivative financial instruments**Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value through profit or loss (FVTPL) on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivative financial instrument are recognised in the statement of profit and loss and reported with foreign exchange gains/(loss) not within results from operating activities. Changes in fair value and gains/(losses) on settlement of foreign currency derivative financial instruments relating to borrowings, which have not been designated as hedge are recorded as finance expense.

2.2 Significant accounting estimates and assumptions

The preparation of the Company's Ind AS financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below as appropriate. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Karnavati Aviation Private Limited
Notes to Financials statements for the year ended March 31, 2018
Note 3 - Property, plant and equipment

Amt in ₹

Particulars	Tangible assets						Intangible assets	
	Aircraft	Computer Hardware	Office Equipments	Furniture & Fixtures	Vehicles	Total	Software	Total
Cost								
As at April 1, 2016	2,95,62,44,780	8,98,356	3,56,888	1,04,504	8,72,572	2,95,84,77,100	4,74,411	4,74,411
Additions	-	97,000	66,733	31,000	-	1,94,733	-	-
Deductions/Adjustment	-	-	-	-	-	-	-	-
Exchange difference	(3,14,94,354)	-	-	-	-	(3,14,94,354)	-	-
As at March 31, 2017	2,92,47,50,426	9,95,356	4,23,621	1,35,504	8,72,572	2,92,71,77,479	4,74,411	4,74,411
Additions	-	46,964	45,310	4,922	-	97,196	-	-
Deductions/Adjustment	-	-	-	-	-	-	-	-
Exchange difference	53,27,733	-	-	-	-	53,27,733	-	-
As at March 31, 2018	2,93,00,78,159	10,42,320	4,68,931	1,40,426	8,72,572	2,93,26,02,408	4,74,411	4,74,411
Depreciation and Impairment								
As at April 1, 2016	17,45,04,947	1,79,761	1,19,486	23,642	2,33,665	17,50,61,501	1,06,364	1,06,364
Depreciation for the year	17,24,78,313	2,57,534	1,12,640	24,589	2,33,665	17,31,06,741	1,06,363	1,06,363
Deductions/(Adjustment)	-	-	-	-	-	-	-	-
As at March 31, 2017	34,69,83,260	4,37,295	2,32,126	48,231	4,67,330	34,81,68,242	2,12,727	2,12,727
Depreciation for the year	17,16,90,312	2,70,257	70,258	27,077	2,33,667	17,22,91,571	1,06,364	1,06,364
Deductions/(Adjustment)	-	-	-	-	-	-	-	-
As at March 31, 2018	51,86,73,572	7,07,551	3,02,384	75,308	7,00,997	52,04,59,812	3,19,091	3,19,091
Net Block								
As at March 31, 2018	2,41,14,04,587	3,34,769	1,66,547	65,118	1,71,575	2,41,21,42,595	1,55,320	1,55,320
As at March 31, 2017	2,57,77,67,166	5,58,061	1,91,495	87,273	4,05,242	2,57,90,09,237	2,61,684	2,61,684

Karnavati Aviation Private Limited
Notes to Financials statements for the year ended March 31, 2018

4 Investments

Non Current

Investment in National Saving Certificates (valued at cost)

Note: NSC held in the name of one of the directors.

March 31, 2018 Amt in ₹	March 31, 2017 Amt in ₹
-	60,000
-	60,000

5 Trade Receivables

Current

Unsecured considered good unless stated otherwise

Unsecured considered good
Receivables from related parties
Considered doubtful

Provision for doubtful receivable

March 31, 2018 Amt in ₹	March 31, 2017 Amt in ₹
7,93,35,479	4,07,02,315
47,93,74,383	41,08,95,345
67,07,892	67,07,892
56,54,17,754	45,83,05,552
(67,07,892)	(67,07,892)
55,87,09,862	45,15,97,660

6 Other Financial assets

Non-current

Security and other deposits

Current

Security and other deposits
Loans and advances to employees

March 31, 2018 Amt in ₹	March 31, 2017 Amt in ₹
1,20,68,700	1,20,68,700
1,20,68,700	1,20,68,700
60,000	-
11,06,914	17,26,832
11,66,914	17,26,832

7 Other Assets

Non Current

Advances recoverable in cash or in kind

Unsecured, considered good

Others (Unsecured)

Advance income tax

Current

Advances recoverable in cash or in kind

Unsecured, considered good
Unsecured, considered doubtful

Unsecured, considered doubtful

Others (Unsecured)

Prepaid Expenses
Accrued revenue
Balances with statutory/ Government authorities
Deposited against Demand in dispute
GST receivable
Gratuity fund

	March 31, 2018 Amt in ₹	March 31, 2017 Amt in ₹
	12,05,479	12,95,890
(A)	12,05,479	12,95,890
	1,39,16,760	56,65,511
(B)	1,39,16,760	56,65,511
	1,51,22,239	69,61,401
	15,18,075	6,99,465
	57,00,090	57,00,090
	72,18,165	63,99,555
	(57,00,090)	(57,00,090)
(A)	15,18,075	6,99,465
	17,34,847	28,39,203
	-	32,30,91,000
	35,00,000	35,00,000
	16,91,617	26,11,652
	4,79,097	-
(B)	74,05,561	33,20,41,855
	89,23,636	33,27,41,320

8 Inventories

Stores and spares

Note :

Inventories are valued at lower of cost or net realisable value

March 31, 2018 Amt in ₹	March 31, 2017 Amt in ₹
1,25,41,592	1,01,36,376
1,25,41,592	1,01,36,376

9 Cash and cash equivalents

Balances with banks:

Balance in current account

March 31, 2018 Amt in ₹	March 31, 2017 Amt in ₹
1,25,25,45,045	54,26,628
1,25,25,45,045	54,26,628

10 Share capital**Authorised**

4,50,00,000 Equity Shares of ₹ 10 each (4,50,00,000 and 4,50,00,000 Equity Shares of ₹ 10 each as at March 31, 2017)

Issued, subscribed and fully paid up shares

4,50,00,000 Equity Shares of ₹ 10 each (4,50,00,000 and 4,50,00,000 Equity Shares of ₹ 10 each as at March 31, 2017)

	March 31, 2018 Amt in ₹	March 31, 2017 Amt in ₹
Authorised	45,00,00,000	45,00,00,000
45,00,00,000	45,00,00,000	45,00,00,000
Issued, subscribed and fully paid up shares	45,00,00,000	45,00,00,000
45,00,00,000	45,00,00,000	45,00,00,000

Notes:**(a) Reconciliation of the number of the shares outstanding as the beginning and end of the year:**

	March 31, 2018		March 31, 2017	
	Nos	Amt in ₹	Nos	Amt in ₹
At the beginning of the year	4,50,00,000	45,00,00,000	4,50,00,000	45,00,00,000
New Shares Issued during the year	-	-	-	-
At the end of the year	4,50,00,000	45,00,00,000	4,50,00,000	45,00,00,000

(b) Terms/rights attached to equity shares:

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

(c) Shares held by holding company

Out of equity shares issued by the company, shares held by its holding company is as below

	March 31, 2018 Amt in ₹	March 31, 2017 Amt in ₹
Adani Ports and Special Economic Zone Limited, the holding company and its nominee	45,00,00,000	45,00,00,000
4,50,00,000 Equity Shares of ₹ 10 each (4,50,00,000 and 4,50,00,000 Equity Shares of ₹ 10 each as at March 31, 2017)		

(d) Details of shareholder holding more than 5% shares in the Company

Equity shares of ₹ 10 each fully paid	Particulars	March 31, 2018	March 31, 2017
Adani Ports and Special Economic Zone Limited, the holding company and its nominee	Nos	4,50,00,000	4,50,00,000
	% Holding	100.00%	100.00%

11 Other Equity**(i) Equity component of interest free loan**

- Opening balance

- Addition during the year

	March 31, 2018 Amt in ₹	March 31, 2017 Amt in ₹
- Opening balance	5,90,72,437	5,25,74,834
- Addition during the year	36,44,31,382	64,97,603
	42,35,03,819	5,90,72,437

(ii) Retained earnings

- Opening balance

- Losses for the year

- Other Comprehensive Income

	March 31, 2018 Amt in ₹	March 31, 2017 Amt in ₹
- Opening balance	(56,90,57,463)	(54,17,76,433)
- Losses for the year	(3,90,39,605)	(2,83,41,414)
- Other Comprehensive Income	(19,083)	10,60,384
	(60,81,16,151)	(56,90,57,463)

12 Borrowings**Non-Current****Term loans**

Foreign currency term loans (secured) (refer note a, b)

Inter Corporate Deposit (refer note c) (Unsecured)

	March 31, 2018 Amt in ₹	March 31, 2017 Amt in ₹
Foreign currency term loans (secured) (refer note a, b)	84,56,98,584	1,33,30,32,899
Inter Corporate Deposit (refer note c) (Unsecured)	1,36,24,34,879	-
	2,20,81,33,463	1,33,30,32,899

Current maturities of long term borrowings

Foreign currency term loans (secured) (refer note a, b)

Inter Corporate Deposit (refer note c) (Unsecured)

Total current maturities of long term borrowings

Less: Amount shown under other current liabilities (refer note 13)

	March 31, 2018 Amt in ₹	March 31, 2017 Amt in ₹
Foreign currency term loans (secured) (refer note a, b)	40,63,15,107	21,82,80,152
Inter Corporate Deposit (refer note c) (Unsecured)	-	1,62,42,58,214
40,63,15,107	1,84,25,38,366	
Less: Amount shown under other current liabilities (refer note 13)	(40,63,15,107)	(1,84,25,38,366)
	2,20,81,33,463	1,33,30,32,899

Karnavati Aviation Private Limited
Notes to Financials statements for the year ended March 31, 2018
Short term Borrowings

Inter Corporate Deposit (refer note c) (Unsecured)

Net current borrowing

1,31,11,94,489	21,36,00,000
1,31,11,94,489	21,36,00,000

The above amount includes

Secured borrowings

Unsecured borrowings

Total borrowings

1,25,20,13,691	1,55,13,13,051
2,67,36,29,368	1,83,78,58,214
3,92,56,43,059	3,38,91,71,265

Notes:

(a) Loan from Export Development Canada (INR 28,70,87,003) which carries interest @ of LIBOR plus 253 basis points. Loan is repayable in 20 Half yearly installments along with interest beginning from 27.04.2010. The loan is secured by hypothecation of aircraft Challenger 605.

(b) Loan from Bank of America (INR 96,49,26,689) which carries interest @ LIBOR plus 175 basis points. The loan is repayable in 28 quarterly installments alongwith interest beginning from 30.05.2013. The loan is secured by hypothecation of aircraft Legacy - 650. Additionally it is secured by corporate guarantee of holding company.

(c) Inter corporate deposit is received from Adani Ports and Special Economic Zone Ltd., the holding Company, at Nil interest rate which is repayable within a year which may be further extended on mutual terms.

13 Other financial liabilities
Current

Other current financial liabilities

Current maturities of long term borrowings (refer note 12)

Interest accrued but not due on borrowings

Capital creditors, retention money and other payable

Provision for derivatives

	March 31, 2018	March 31, 2017
	Amt in ₹	Amt in ₹
40,63,15,107	1,84,25,38,366	
76,02,428	1,11,88,994	
24,38,987	24,88,888	
5,21,147	67,41,932	
41,68,77,669	1,86,29,58,180	

14 Deferred tax liabilities/Assets (net)
Tax effect of items constituting deferred tax liabilities :

Property, Plant & Equipment

Total
Tax effect of items constituting deferred tax assets :

(i) Unabsorbed depreciation

(ii) Unpaid leave encashment

(iii) Unpaid Gratuity

(iv) Unpaid Bonus

Total
Note :

As per IndAS 12, net deferred tax assets as on March 31,2018 is Rs. 12,05,46,244/- (March 31,2017 Rs. 19,54,79,499/-). However the company has recognised deferred tax asseets only to the extent of deferred tax liability on prudential basis.

(a) The income tax expense for the year can be reconciled to the accounting profit as follows:
Particulars
Profit / (loss) before taxes

Income tax expense calculated at 28.84% (2016-17: 34.608%)

Unrecognised tax impact of OCI (income) / expenses

Effect of expenses that are not deductible in determining taxable profit

Effect of changes in tax rate from 34.608% to 28.84%

Recognition of credits for previous period tax losses

Income tax expense recognised in profit or loss

	March 31, 2018	March 31, 2017
	Amt in ₹	Amt in ₹
(3,90,39,605)	(2,83,41,414)	
(1,12,59,022)	(98,08,397)	
(5,504)	3,66,979	
2,95,92,161	4,56,12,608	
(22,51,804)	-	
(1,60,75,831)	(3,61,71,190)	
-	-	

(b) Movement in deferred tax assets/liabilities for the year ended 31st March, 2018

Amt in ₹

Particulars	Opening Balance as at 1st April, 2017	Recognised in profit and Loss	Recognised in other comprehensive income	Closing balance as at 31st March, 2018
Tax effect of items constituting deferred tax liabilities :				
Property, Plant & Equipment	68,97,88,018	(10,38,71,686)	-	58,59,16,332
Total	68,97,88,018	(10,38,71,686)	-	58,59,16,332

Karnavati Aviation Private Limited
Notes to Financials statements for the year ended March 31, 2018
Tax effect of items constituting deferred tax assets :

(i) Unabsorbed depreciation	68,71,74,835	(10,25,25,622)	-	58,46,49,213
(ii) Unpaid leave encashment	14,00,922	(4,10,475)	-	9,90,447
(iii) Unpaid Gratuity	7,52,906	(8,92,419)	-	(1,39,513)
(iv) Unpaid Bonus	4,59,355	(43,170)	-	4,16,185
Total	68,97,88,018	(10,38,71,686)	-	58,59,16,332
	-	-	-	-

(c) Movement in deferred tax assets/liabilities for the year ended 31st March, 2017

Particulars	Opening Balance as at 1st April, 2016	Recognised in profit and Loss	Recognised in other comprehensive income	Closing balance as at 31st March, 2017
Amt in ₹				
Tax effect of items constituting deferred tax liabilities :				
Property, Plant & Equipment	70,16,97,654	(1,19,09,636)	-	68,97,88,018
Total	70,16,97,654	(1,19,09,636)	-	68,97,88,018
	-	-	-	-
Tax effect of items constituting deferred tax assets :				
(i) Unabsorbed depreciation	69,89,01,277	(1,17,26,442)	-	68,71,74,835
(ii) Unpaid leave encashment	14,57,308	(56,386)	-	14,00,922
(iii) Unpaid Gratuity	9,32,448	(1,79,542)	-	7,52,906
(iv) Unpaid Bonus	4,06,621	52,734	-	4,59,355
Total	70,16,97,654	(1,19,09,636)	-	68,97,88,018
	-	-	-	-

(d) Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Particulars	March 31, 2018 Amt in ₹	March 31, 2017 Amt in ₹
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :		
Unabsorbed depreciation	41,39,63,749	56,48,39,051
	41,39,63,749	56,48,39,051

15 Provisions
Non-current

	March 31, 2018 Amt in ₹	March 31, 2017 Amt in ₹
Provision for gratuity (refer note 31)	-	21,75,526
Provision for compensated absences	21,64,832	26,55,687
	21,64,832	48,31,213

Current

	March 31, 2018 Amt in ₹	March 31, 2017 Amt in ₹
Provision for gratuity (refer note 31)	-	-
Provision for compensated absences	12,36,429	13,92,286
	12,36,429	13,92,286

Note :

Bifurcation of provision for compensated absences & gratuity into current and non-current is based on Actuary Report.

16 Other Liabilities
Current
Statutory liability

	March 31, 2018 Amt in ₹	March 31, 2017 Amt in ₹
- TDS Payable	3,75,171	27,07,628
- PF Payable	3,86,955	4,50,576
- Other statutory liability (Including Professional Tax,GST,etc.)	4,30,87,312	15,642
	4,38,49,437	31,73,846

17 Trade Payables

Payables to micro, small and medium enterprises (refer note 35)
Others

	March 31, 2018 Amt in ₹	March 31, 2017 Amt in ₹
	-	-
	2,45,31,916	4,09,86,440
	2,45,31,916	4,09,86,440

Karnavati Aviation Private Limited
Notes to Financials statements for the year ended March 31, 2018
18 Revenue from Operations

Income from Aircraft Operation

March 31, 2018	March 31, 2017
Amt in ₹	Amt in ₹
55,10,63,174	66,06,69,337
55,10,63,174	66,06,69,337

19 Other Income
Interest Income on

 Bank deposits
 Income Tax Refund
 Income from NSC
 Unclaimed liabilities / excess provision written back
 Profit on sale of Mutual Fund

March 31, 2018	March 31, 2017
Amt in ₹	Amt in ₹
3,071	-
-	25,56,171
38,616	-
6,47,371	-
9,46,782	1,07,161
16,35,840	26,63,332

20 Operating Expenses

 Aircraft fuel
 Airport charges
 Aircraft hiring charges
 Aircraft running & operating expenses
 Pilot hiring charges

March 31, 2018	March 31, 2017
Amt in ₹	Amt in ₹
5,65,61,866	5,46,73,133
3,18,86,656	3,11,42,211
24,59,034	1,10,11,450
60,69,275	1,42,56,435
11,27,433	25,35,799
9,81,04,263	11,36,19,028

21 Employee benefit expense

 Salaries and wages
 Contribution to provident and other funds
 Gratuity (refer note 31)
 Staff welfare expenses

March 31, 2018	March 31, 2017
Amt in ₹	Amt in ₹
5,23,11,235	4,93,36,075
25,08,323	23,40,630
7,87,468	8,31,686
14,32,202	8,69,975
5,70,39,228	5,33,78,366

22 Finance Costs
Interest on

 Fixed loans, Buyer's credit, Short term etc.
 Interest on interest free loan from related party
 Interest on service tax
 Others
 Bank and other finance charges
 Loss on derivatives / Swap contracts (net)

March 31, 2018	March 31, 2017
Amt in ₹	Amt in ₹
5,04,16,170	6,92,70,409
10,26,08,047	13,17,97,872
3,98,331	-
11,263	-
37,42,362	40,17,859
15,71,76,173	20,50,86,140
30,54,179	82,93,170
16,02,30,352	21,33,79,310

23 Other Expenses

	March 31, 2018 Amt in ₹	March 31, 2017 Amt in ₹
Legal, Professional & Subscription expenses	47,29,508	46,80,842
Travelling and Conveyance	80,64,738	83,38,488
Stores & Spares consumed	1,61,06,583	1,36,93,352
Repair & Maintenance expenses		
Aircraft	6,19,00,578	9,55,78,728
Computers	762	1,055
Buildings	-	1,840
Vehicles	85,747	68,105
Office equipments	10,336	18,454
Others	75,974	28,73,444
Rent expenses	15,86,999	13,09,557
Telephone & Internet expenses	10,68,335	12,34,630
Rates and Taxes - Permission & License Fees	12,94,381	8,34,584
Printing, Stationery & Postage charges	1,15,963	4,31,528
Security expenses	2,21,883	2,27,867
Office expenses	2,97,757	2,23,454
Electricity expenses	2,18,170	2,15,300
Miscellaneous expenses	1,20,687	8,778
Insurance expenses	62,07,196	68,11,458
Loss on foreign exchange variation (net)	7,147	43,637
Advertisement and Publicity	16,41,427	11,37,411
Payment to auditors (refer note 1 below)	80,325	1,84,505
Directors sitting fee	1,32,345	1,67,258
	10,39,66,841	13,80,84,275

Note: 1**Payment to Auditor****As auditor:**

Audit fee

In other capacity

Certification fees

Other services

Reimbursement of expenses

	March 31, 2018 Amt in ₹	March 31, 2017 Amt in ₹
Audit fee	75,000	60,300
Certification fees	-	98,100
Other services	5,325	1,005
	80,325	1,84,505

24 Fair Value Measurement

a) The carrying value of financial instruments by categories as of March 31, 2018 is as follows :

Particulars	Amt in ₹				
	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Derivative instruments not in hedging relationship	Amortised Cost	Total
Financial Asset					
Investments	-	-	-	-	-
Trade receivables	-	-	-	55,87,09,862	55,87,09,862
Cash and cash equivalents	-	-	-	1,25,25,45,045	1,25,25,45,045
Others financial assets	-	-	-	1,32,35,614	1,32,35,614
	-	-	-	1,82,44,90,521	1,82,44,90,521
Financial Liabilities					
Borrowings	-	-	-	3,51,93,27,952	3,51,93,27,952
Trade payables	-	-	-	2,45,31,916	2,45,31,916
Other financial liabilities	-	5,21,147	-	41,63,56,522	41,68,77,669
	-	5,21,147	-	3,96,02,16,390	3,96,07,37,537

b) The carrying value of financial instruments by categories as of March 31, 2017 is as follows :

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Derivative instruments not in hedging relationship	Amortised Cost	Amt in ₹
					Total
Financial Asset					
Investments	-	-	-	60,000	60,000
Trade receivables	-	-	-	45,15,97,660	45,15,97,660
Cash and Cash Equivalents	-	-	-	54,26,628	54,26,628
Others financial assets	-	-	-	1,37,95,532	1,37,95,532
	-	-	-	47,08,79,820	47,08,79,820
Financial Liabilities					
Borrowings	-	-	-	1,54,66,32,899	1,54,66,32,899
Trade payables	-	-	-	4,09,86,440	4,09,86,440
Other financial liabilities	-	67,41,932	-	1,85,62,16,248	1,86,29,58,180
	-	67,41,932	-	3,44,38,35,587	3,45,05,77,519

25 Fair value hierarchy :

Particulars	As at March 31, 2018				Amt in ₹
	Level 1	Level 2	Level 3	Total	
Assets					
Derivative instrument	-	5,21,147	-	5,21,147	
Total	-	5,21,147	-	5,21,147	

Particulars	As at March 31, 2017				Amt in ₹
	Level 1	Level 2	Level 3	Total	
Assets					
Derivative instrument	-	67,41,932	-	67,41,932	
Total	-	67,41,932	-	67,41,932	

26 Financial risk objective and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations/projects and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

In the ordinary course of business, the company is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) and other price risks such as equity price risk. It manages its exposure to these risks through derivative financial instruments by hedging transactions. It uses derivative instruments such as foreign currency future options and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favorable and unfavorable fluctuations.

The Company's risk management activities are subject to the management, direction and control of Central Treasury Team of the Adani Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Company. The Group's central treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Company is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in our judgment, are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

Further, all currency and interest risk as identified above is measured on a daily basis by monitoring the mark to market (MTM) of open and hedged position. The MTM is derived basis underlying market curves on closing basis of relevant instrument quoted on Bloomberg/Reuters. For quarter ends, the MTM for each derivative instrument outstanding is obtained from respective banks. All gain / loss arising from MTM for open derivative contracts and gain / loss on settlement / cancellation / roll over of derivative contracts is recorded in statement of profit and loss.

Interest rate risk

The Company is exposed to changes in market interest rates due to financing, investing and cash management activities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Foreign currency risk

Exchange rate movements, particularly the United States Dollar (USD) and Singapore Dollar (SGD) against Indian Rupee (INR), have an impact on the Company's operating results. The Company manages its foreign currency risk by entering into suitable foreign exchange contracts in stable currency environment on foreign currency borrowing.

Karnavati Aviation Private Limited
Notes to Financials statements for the year ended March 31, 2018
a) Sensitivity

The sensitivity of profit or loss due to changes in the exchange rates arises mainly from non-derivative foreign currency denominated financial instruments (mainly financial instruments denominated in USD and SGD currencies). The same is summarized as below:

Sr. No.	Particulars	Impact on profit before tax	
		For the year ended March 31, 2018	For the year ended March 31, 2017
		Amt in ₹	
1	USD Sensitivity		
	RUPEES / USD – Increase by 1%	-	-
	RUPEES / USD – Decrease by 1%	-	-
2	SGD Sensitivity		
	RUPEES / SGD – Increase by 1%	-	-
	RUPEES / SGD – Decrease by 1%	-	-

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through the use of loans from banks and financial institutions, loans from holding company and equity shares.

i) Maturities of financial liabilities

The tables below analyze the company's financial liabilities into relevant maturity groupings based on their contractual maturities:

Contractual maturities of financial liabilities as at March 31, 2018	Total Carrying Value	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year
Borrowings	3,92,56,43,059	1,71,75,09,596	2,20,81,33,463	-	-
Trade payables	2,45,31,916	2,45,31,916	-	-	-
Other financial liabilities	1,05,62,562	1,05,62,562	-	-	-
Total	3,96,07,37,537	1,75,26,04,074	2,20,81,33,463	-	-

Contractual maturities of financial liabilities as at March 31, 2017	Total Carrying Value	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year
Borrowings	3,38,91,71,265	2,05,61,38,366	1,33,30,32,899	-	-
Trade payables	4,09,86,440	4,09,86,440	-	-	-
Other financial liabilities	2,04,19,814	2,04,19,814	-	-	-
Total	3,45,05,77,519	2,11,75,44,620	1,33,30,32,899	-	-

ii) Maturities of financial assets

The tables below analyze the company's financial assets into relevant maturity groupings based on their contractual maturities.

Contractual maturities of financial assets as at March 31, 2018	Total Carrying Value	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year
Investments	-	-	-	-	-
Trade receivables	55,87,09,862	55,87,09,862	-	-	-
Cash and cash equivalents	1,25,25,45,045	1,25,25,45,045	-	-	-
Other financial assets	1,32,35,614	11,66,914	-	-	1,20,68,700
Total	1,82,44,90,521	1,81,24,21,821	-	-	1,20,68,700

Karnavati Aviation Private Limited
Notes to Financials statements for the year ended March 31, 2018

Contractual maturities of financial assets as at March 31, 2017	Total Carrying Value	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year
Investments	60,000	-	60,000	-	-
Trade receivables	45,15,97,660	45,15,97,660	-	-	-
Cash and cash equivalents	54,26,628	54,26,628	-	-	-
Other financial assets	1,37,95,532	17,26,832	-	-	1,20,68,700
Total	47,08,79,820	45,87,51,120	60,000	-	1,20,68,700

27 Earnings per share

	March 31, 2018 Amt in ₹	March 31, 2017 Amt in ₹
Profit attributable to equity shareholders of the company	(3,90,39,605)	(2,83,41,414)
Weighted average number of equity shares	4,50,00,000	4,50,00,000
Basic and Diluted earning per share (in ₹) (face value of equity shares ₹ 10 each)	(0.87)	(0.63)

28 Capital commitments & other commitment

Particulars	Amt in ₹	
	March 31, 2018	March 31, 2017
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	Nil	Nil

29 Contingent liabilities not provided for

Sr.No.	Particulars	Amt in ₹	
		March 31, 2018	March 31, 2017
a	In terms of the Show Cause cum Demand Notice issued by the Office of the Commissioner of Customs Preventive Section dated 27/02/2009, a demand of Rs. 14.67 Crore along with applicable interest and penalty thereon for the differential amount of Customs Duty in respect of import of Aircraft Hawker 850 XP under Non-Scheduled Operation Permit (NSOP) has been raised on the Company against which Corporate Guarantee from Holding Company and Bank Guarantee given to	29,34,30,972	29,34,30,972
b	In terms of the Show Cause Notice issued by the Office of the Commissioner of Customs for a demand of Rs. 18.33 Crore along with applicable interest and penalty thereon for the differential amount of Customs Duty in respect of import of Bombardier Challenger CL-605 under Non-Scheduled Operation Permit (NSOP) has been raised on the Company against which Corporate Guarantee from Holding Company and Bank Guarantee given to Customs department.	36,65,63,102	36,65,63,102
c	Show cause notice received from Directorate General of Central Excise Intelligence for Non-Payment of Service Tax on Domestic Journey and on certain Foreign Service on reverse base mechanism amounting to Rs. 3,03,74,964/-. In this matter Company had filed appeal with Commissioner of Service Tax & Company has also received order for the same. In reference to order passed by Commissioner of Service Tax, the Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal against Order of Commissioner for confirmation of tax liability of Rs.3,71,30,634/- (including Penalty). The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company.	3,71,30,634	3,71,30,634
d	Bank Guarantee given to Deputy Commissioner of Customs for import of Aircraft Legacy 650 under the Notification No. 12/2012 Sr. No. 453 customs condition no. 77 notified by the Govt. of India.	26,80,00,000	26,80,00,000
e	Company has received assessment order u/s 143(3) r.w.s 147 of the Income Tax Act, 1961 dated 21.10.2015 whereby certain remittances made to non-residents are disallowed due to non-withholding of taxes for A.Y. 2010-11 (F.Y. 2009-10). Company has filed appeal with CIT(A) and it has dismissed the appeal filed by company vide order dated 16.02.2018. Further, company has filed appeal with ITAT on 17th April 2018 against order of CIT(A). Considering the tax losses for A.Y. 2010-11 demand is nil.	-	-

30 Segment information

The Company is primarily engaged in the business of providing aviation services under the category of Non-Scheduled Operator. The entire business has been considered as a single segment in terms of Ind AS - 108 on Segment Reporting issued by the Institute of Chartered Accountants of India. There being no business outside India, the entire business has been considered as single geographic segment.

31 Disclosures as required by Ind AS - 19 Employee Benefits

The company has a defined gratuity plan. Under the plan every employee who has completed at least five year of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Tata AIA Life Insurance Company Ltd. (TATA AIA Life) in form of a qualifying insurance policy for future payment of gratuity to the employees.

The following tables summarise the component of the net benefits expense recognised in the statement of profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plan.

Karnavati Aviation Private Limited
Notes to Financials statements for the year ended March 31, 2018
Gratuity
a) Changes in present value of the defined benefit obligation are as follows:

Particulars	Amt in ₹	
	March 31, 2018	March 31, 2017
Present value of the defined benefit obligation at the beginning of the year	33,44,764	37,86,217
Current service cost	6,22,242	6,19,000
Interest cost	2,54,021	2,98,898
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	(95,956)	(10,08,086)
- experience variance	2,47,082	(61,330)
Benefits paid	(11,31,957)	(2,89,935)
Liability Transfer In	16,808	-
Liability Transfer Out	(1,64,126)	-
Present value of the defined benefit obligation at the end of the year	30,92,878	33,44,764

b) Changes in fair value of plan assets are as follows:

Particulars	Amt in ₹	
	March 31, 2018	March 31, 2017
Fair value of plan assets at the beginning of the year	11,69,238	10,92,060
Investment income	88,795	86,211
Contributions by employer	21,81,899	-
Return on plan assets, excluding amount recognised in net interest expense	1,32,043	(9,033)
Fair value of plan assets at the end of the year	35,71,975	11,69,238

c) Net asset/(liability) recognised in the balance sheet

Particulars	Amt in ₹	
	March 31, 2018	March 31, 2017
Present value of the defined benefit obligation at the end of the year	30,92,878	33,44,764
Fair value of plan assets at the end of the year	35,71,975	11,69,238
Amount recognised in the balance sheet	4,79,097	(21,75,526)
Net (liability)/asset - Current	4,79,097	-
Net (liability)/asset - Non-current	-	(21,75,526)

d) Expense recognised in the statement of profit and loss for the year

Particulars	Amt in ₹	
	March 31, 2018	March 31, 2017
Current service cost	6,22,245	6,19,000
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	1,65,223	2,12,687
Total Expenses included in employee benefits expense	7,87,468	8,31,687

e) Recognised in the other comprehensive income for the year

Particulars	Amt in ₹	
	March 31, 2018	March 31, 2017
Actuarial (gain)/losses arising from		
- change in financial assumptions	(95,956)	(10,08,086)
- experience variance (i.e. actual experience vs assumptions)	2,47,082	(61,330)
Return on plan assets, excluding amount recognised in net interest expense	(1,32,043)	9,033
Recognised in comprehensive income	19,083	(10,60,383)

f) Maturity profile of Defined Benefit Obligation

Particulars	Amt in ₹	
	March 31, 2018	March 31, 2017
Weighted average duration (based on discounted cash flows)	16 years	16 years

g) Quantitative sensitivity analysis for significant assumption is as below
Increase/(decrease) in present value of defined benefits obligation at the end of the year

Particulars	March 31, 2018		March 31, 2017	
	Discount rate			
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
	Amt in ₹	Amt in ₹	Amt in ₹	Amt in ₹
Impact on defined benefit obligations	(4,27,293)	5,13,197	(4,68,644)	5,62,240

Particulars	March 31, 2018		March 31, 2017	
	Salary Growth rate			
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
	Amt in ₹	Amt in ₹	Amt in ₹	Amt in ₹
Impact on defined benefit obligations	5,12,155	(4,33,906)	5,59,960	(4,75,094)

Karnavati Aviation Private Limited
Notes to Financial statements for the year ended March 31, 2018

Particulars	March 31, 2018		March 31, 2017	
	Attrition rate			
Assumptions				
Sensitivity level	0.50% Increase	0.50% Decrease	0.50% Increase	0.50% Decrease
Impact on defined benefit obligations	Amt in ₹	Amt in ₹	Amt in ₹	Amt in ₹
	(21,941)	23,062	(16,740)	16,906

Particulars	March 31, 2018		March 31, 2017	
	Mortality rate			
Assumptions				
Sensitivity level	0.10% Increase	0.10% Decrease	0.10% Increase	0.10% Decrease
Impact on defined benefit obligations	Amt in ₹	Amt in ₹	Amt in ₹	Amt in ₹
	1,421	(1,428)	1,046	(1,051)

Sensitivity Analysis Method

The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

h) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2018	March 31, 2017
Investments with insurer	100%	100%

The company expects to contribute ₹ 1,76,752/- to gratuity fund in the next year.

* As the gratuity fund is managed by Tata AIA Life Insurance Company Limited, details of fund invested by insurer are not available with company.

i) The principle assumptions used in determining gratuity obligations are as follows:

Particulars	Amt in ₹	
	March 31, 2018	March 31, 2017
Discount rate	7.80%	7.60%
Rate of escalation in salary (per annum)	7.00%	7.00%
Mortality	Indian assured mortality table 2006-08	Indian assured mortality table 2006-08
Attrition rate	10% for 5 years & below and 1% thereafter	10% for 5 years & below and 1% thereafter

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

j) Amounts for the current and previous four years are as follows:

Particulars	Amt in ₹				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Defined benefit obligation	(30,92,878)	(33,44,764)	(37,86,217)	(21,73,720)	(23,69,093)
Plan assets	35,71,975	11,69,238	10,92,060	10,17,914	12,00,484
Surplus/(deficit)	4,79,097	(21,75,526)	(26,94,157)	(11,55,806)	(11,68,609)
Experience adjustments on plan liabilities (gain)/loss	2,47,082	(61,330)	2,97,903	(4,45,391)	12,69,689
Experience adjustments on plan assets gain / (loss)	(1,32,043)	9,033	(7,053)	(21,185)	31,983

Karnavati Aviation Private Limited
Notes to the financials Statements for the year ended March 31 , 2018
Note 32 - Related Parties transactions

Particulars	Name of Company
Holding Company	Adani Ports and Special Economic Zone Limited
Fellow Subsidiary	The Dhamra Port Company Limited
	Adani Vizhinjam Port Private Limited
	Adani Ennore Container Terminal Private Limited
	Adani Vizag Coal Terminal Private Limited
	Adani Hazira Port Private Limited
	Adani Kattupli Port Private Limited
	Adani Kandla Bulk Terminal Private Limited
	Adani Murmugao Port Terminal Private Limited
Entities over which major shareholders of holding company are able to exercise Significant Influence through voting power	Adani Power Limited
	Adani Power Mundra Limited
	Adani Enterprises Limited
Key Management Personnel	1. Mr. S. S. Bhatti
	2. Mr. B. Ravi
	3. Mr. Shrikumar Nair
	4. Mr. Jay Shah
	5. Komal Majmudar – Independent Director (upto 07.10.2017)
	6. Mr. Anish Shah

Transactions	Name of Related Party	Amt in ₹	
		March 31, 2018	March 31, 2017
Services Rendered	Adani Ports & Special Economic Zone Limited	39,25,42,276	42,41,10,664
	Adani Power Limited	-	7,53,49,636
	Adani Power Mundra Ltd*	4,40,33,501	-
	Adani Hazira Port Private Limited	2,15,00,417	3,84,23,750
	Adani Kattupli Port Private Limited	1,35,67,083	-
	The Dhamra Port Company Limited	1,71,38,333	2,96,35,001
	Adani Vizhinjam Port Private Limited	2,42,13,750	1,69,97,500
	Adani Ennore Container Terminal Private Limited	-	3,42,58,637
Services availed	Adani Enterprises Limited	20,70,308	32,51,106
Directors Sitting Fees	Krishna Mishra	54,135	-
	Jay Shah	78,135	-
Inter-corporate deposit (taken)	Adani Ports and Special Economic Zone Limited	1,42,80,00,000	46,97,00,000
Inter-corporate deposit (repaid)	Adani Ports and Special Economic Zone Limited	33,04,05,511	16,40,00,000

Closing Balance	Name of Related Party	Amt in ₹	
		March 31, 2018	March 31, 2017
Balance O/s - Due From	Adani Ports and Special Economic Zone Limited	9,72,56,306	33,88,01,141
	Adani Power Mundra Limited*	38,21,18,077	-
	Adani Power Limited	-	35,43,58,228
	Adani Hazira Port Private Limited	-	84,16,425
	The Dhamra Port Company Limited	-	1,19,92,688
	Adani Vizhinjam Port Private Limited	-	35,01,584
	Adani Ennore Container Terminal Private Limited	-	1,69,16,279
Inter-corporate deposit payable	Adani Ports and Special Economic Zone Limited	2,94,17,94,489	1,84,42,00,000
Balance O/s - Due To	Adani Enterprises Limited	5,99,181	9,49,138
Balance - Guarantees & Collateral Securities	Adani Ports and Special Economic Zone Limited	1,85,13,95,243	2,15,06,94,602

Notes:

Adani Power Mundra Limited is the demerged undertaking of Adani Power Limited.

33 Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended)

Particulars of Liabilities arising from Financing activity	Note No.	As at March 31, 2017	Cash flows	Non Cash Changes		As at March 31, 2018
				Effect due to changes in foreign exchange rates	Other changes	
Foreign Loan - Long term	12	1,55,13,13,051	(30,46,27,091)	53,27,731	-	1,25,20,13,691
Inter Corporate Deposits	12	1,83,78,58,214	1,09,75,94,489	-	-	2,67,36,29,368
Total		3,38,91,71,265	79,29,67,398	53,27,731	-	3,92,56,43,059

34 Capital management

For the purposes of the company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the company's capital management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The company monitors capital using gearing ratio, which is net debt (total debt less cash and cash equivalents) divided by total capital plus net debt.

Particulars	March 31, 2018	March 31, 2017
Net debt (total debt less cash and cash equivalents)	2,67,30,98,014	3,38,37,44,637
Total capital	26,53,87,668	(5,99,85,026)
Total capital and net debt	2,93,84,85,682	3,32,37,59,611
Gearing ratio	90.97%	101.80%

35 Management represents that, based on the information available, the company has not been informed by any supplier of being covered under the Micro, Small and Medium Enterprises Development Act 2006. As a result, no interest provision or payments have been made by the Company to such suppliers, if any and no related disclosures are made in these accounts.

36 Derivative instruments and unhedged foreign currency exposure

The Company had taken option contracts to hedge its principal payment of foreign currency loan. The aggregate outstanding detail of derivative transactions is as under:

Nature	Particulars of derivatives		Purpose
	March 31, 2018 Amt in \$	March 31, 2017 Amt in \$	
Option Contract	USD 10,72,992	USD 20,76,097	Hedging of foreign currency borrowing.

The details of foreign currency exposures those are not hedged by a derivative instrument or otherwise are as under:

Nature	As at March 31, 2018		As at March 31, 2017	
	Amount Amt in ₹	Foreign Currency Amt	Amount Amt in ₹	Foreign Currency Amt
Foreign currency loan	1,18,20,81,452	USD 1,81,37,038	1,41,66,78,161	USD 2,18,45,461
Interest accrued but not due	76,02,428	USD 1,16,646	1,11,88,994	USD 1,72,536
Trade payables	93,00,947	USD 1,42,773	61,44,343	USD 94,747
Trade payables	-	-	3,32,064	SGD 7,155

Closing rates as at March 31, 2018:

INR / USD = ₹ 65.18

INR / SGD = ₹ 49.82

Closing rates as at March 31, 2017:

INR / USD = ₹ 64.85

INR / SGD = ₹ 46.41

37 Approval of financial statements

The financial statements were approved for issue by the board of directors on 27th April, 2018.

Karnavati Aviation Private Limited**Notes to Financials statements for the year ended March 31, 2018****38 Standards issued but not effective:**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs("MCA") has issued certain amendments to Ind AS through (Indian Accounting Standards) Amendment Rules, 2018. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board(IASB) into Ind AS and has amended the following standards:

1. Ind AS 115-Revenue from Contract with Customers
2. Ind AS 21-The effect of changes in foreign exchanges rates
3. Ind AS 40-Investment Property
4. Ind AS 12-Income Taxes
5. Ind AS 28-Investment in Associates and Joint Ventures
6. Ind AS 112-Disclosure of Interest in Other Entities

These amendments are effective for annual periods beginning on or after April 01, 2018. Application of these amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

The Company is assessing the potential effect of the amendments on its financial statements. The Company will adopt these amendments, if applicable, from their applicability date.

The accompanying notes form an integral part of financials statements**As per our report of even date**

For SHAH DHANDHARIA & CO.
Chartered Accountants
ICAI Firm Registration No.: 118707W

**For and on behalf of Board of Directors of
Karnavati Aviation Private Limited**

Pravin Dhandharia
Partner
Membership No. 115490

Jay H. Shah
Director
DIN: 00005709

Shrikumar Nair
Director & Manager
DIN: 03035537

Anish Shah
Chief Financial Officer

Abhishek Sinha
Company Secretary

Place: Ahmedabad
Date: April 27,2018

Place: Ahmedabad
Date: April 27,2018