



Independent Auditor's Report

To the Members of Karnavati Aviation Private Limited

Report on the audit of the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of Karnavati Aviation Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, 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 "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, read with the emphasis of matter paragraph below, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibility for the Standalone 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 Standalone 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



Independent Auditor's Report To the Members of Karnavati Aviation Private Limited (Continue)

Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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.



**Independent Auditor's Report
To the Members of Karnavati Aviation Private Limited**

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 Standalone Financial Statements comply with the Indian 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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';
- 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 28 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. **With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:**

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, reporting under section 197(16) of the Act is not applicable.

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

Place : Ahmedabad
Date : April 26, 2019

Shubham Rohatgi
Partner
Membership No. 183083



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 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified by the management in a phased periodic manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (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, goods and service tax (GST), duty of customs, 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 2019 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. However it has issued perpetual securities to holding company upon conversion of loan.



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 26, 2019

Shubham Rohatgi
Partner
Membership No. 183083



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, 2019 in conjunction with our audit of the Standalone 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, 2019, 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 26, 2019

Shubham Rohatgi
Partner
Membership No. 183083

Particulars	Notes	Amt In ₹	
		As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	2,31,88,23,359	2,41,21,42,595
Other Intangible assets	3	48,957	1,55,320
Financial Assets			
(i) Other financial assets	5	1,27,91,892	1,20,68,700
Other non-current assets	6	1,36,31,027	1,51,22,239
Deferred tax assets (net)	13	-	-
Total Non-Current Assets		2,34,52,95,235	2,43,94,88,854
Current Assets			
Inventories	7	1,46,68,013	1,25,41,592
Financial Assets			
(i) Trade receivables	4	50,60,14,719	55,87,09,862
(ii) Cash and cash equivalents	8	12,69,14,010	1,25,25,45,045
(iii) Other financial assets	5	9,02,754	11,66,914
Other Current Assets	6	1,14,33,723	89,23,636
Total Current Assets		65,99,33,219	1,83,38,87,049
Total Assets		3,00,52,28,454	4,27,33,75,903
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	9	45,00,00,000	45,00,00,000
Other Equity	10	1,37,30,50,288	(18,46,12,332)
Total Equity		1,82,30,50,288	26,53,87,668
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	11	45,22,20,877	2,20,81,33,463
Provisions	14	35,23,670	21,64,832
Total Non-Current Liabilities		45,57,44,547	2,21,02,98,295
Current Liabilities			
Financial Liabilities			
(i) Borrowings	11	15,65,00,000	1,31,11,94,489
(ii) Trade Payables	16		
(a) Total outstanding dues of micro enterprises and small enterprises		1,68,179	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		9,43,43,234	2,45,31,916
(iii) Other financial liabilities	12	45,97,59,324	41,68,77,669
Other Current Liabilities	15	1,40,83,841	4,38,49,437
Provisions	14	15,79,041	12,36,429
Total Current Liabilities		72,64,33,619	1,79,76,89,940
Total Liabilities		1,18,21,78,166	4,00,79,88,235
Total Equity and Liabilities		3,00,52,28,454	4,27,33,75,903
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
Firm Registration No.: 118707W

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

Shubham Rohatgi
Partner
Membership No. 183083

Ashutosh Verma
Director
DIN: 08038591

Shrikumar Nair
Director
DIN: 03035537

Anish Shah
Chief Financial Officer

Place: Ahmedabad
Date: April 26, 2019

Place: Ahmedabad
Date: April 26, 2019

Particulars	Notes	Amt In ₹	
		For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME			
Revenue from operations	17	62,71,73,298	55,10,63,174
Other income	18	30,33,879	16,35,840
Total Income		63,02,07,177	55,26,99,014
EXPENSES			
Operating expenses	19	10,87,30,246	9,81,04,263
Employee benefits expense	20	4,78,62,965	5,70,39,228
Depreciation and amortization expense	3	17,82,13,080	17,23,97,935
Finance costs	21	8,28,66,270	16,02,30,352
Other expenses	22	25,98,16,388	10,39,66,841
Total Expense		67,74,88,949	59,17,38,619
(Loss) before exceptional items and tax		(4,72,81,772)	(3,90,39,605)
Exceptional items		-	-
(Loss) before tax		(4,72,81,772)	(3,90,39,605)
Tax expense:	13		
Current tax		-	-
Deferred Tax		-	-
Income tax expense		-	-
(Loss) for the year		(4,72,81,772)	(3,90,39,605)
Other Comprehensive Income			
Items that will not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans (net of tax)		(9,03,627)	(19,083)
Items that will be reclassified to profit or loss in subsequent periods			
		-	-
Other comprehensive income for the year (after tax)		(9,03,627)	(19,083)
Total comprehensive income / (loss) for the year (net of tax)		(4,81,85,399)	(3,90,58,688)
Basic and diluted earnings per equity shares (in ₹) face value of ₹ 10 each	26	(1.05)	(0.87)
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
Firm Registration No.: 118707W

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

Shubham Rohatgi
Partner
Membership No. 183083

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Chief Financial Officer

Place: Ahmedabad
Date: April 26, 2019

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Date: April 26, 2019

Karnavati Aviation Private Limited
Statement of Changes in Equity for the year ended March 31, 2019



Amt In ₹

Particulars	Equity Share Capital	Other Equity			Total
		Equity Component of Borrowing	Reserves and Surplus Retained Earning	Unsecured Perpetual Debt	
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	-	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)	-	32,53,72,695
Balance as at March 31, 2018	45,00,00,000	42,35,03,819	(60,81,16,151)	-	26,53,87,669
(Loss) for the year	-	-	(4,72,81,772)	-	(4,72,81,772)
Changes during the year	-	(24,41,51,982)	-	-	(24,41,51,982)
Other Comprehensive Income	-	-	(9,03,627)	-	(9,03,627)
Total Comprehensive Income for the year	-	(24,41,51,982)	(4,81,85,399)	-	(29,23,37,380)
Perpetual securities issued during the year	-	-	-	1,85,00,00,000	1,85,00,00,000
Balance as at March 31, 2019	45,00,00,000	17,93,51,837	(65,63,01,549)	1,85,00,00,000	1,82,30,50,288

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

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

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Partner
Membership No. 183083

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Director
DIN: 08038591

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Director
DIN: 03035537

Anish Shah
Chief Financial Officer

Place: Ahmedabad
Date: April 26, 2019

Place: Ahmedabad
Date: April 26, 2019

Amt In ₹

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities		
(Loss) before tax as per statement of profit and loss	(4,72,81,772)	(3,90,39,605)
Adjustments for:		
Excess provision written back	-	(6,47,371)
Depreciation and amortisation	17,82,13,080	17,23,97,935
Interest income	-	(41,687)
Net (gain)/loss on sale of current investments	(25,30,028)	(9,46,782)
Finance Cost	7,92,40,458	15,71,76,173
Unrealised foreign exchange (gain) / loss	4,665	7,147
Unrealised (gain)/loss on derivative swap contracts (net)	51,84,115	(62,20,785)
Realised (gain)/loss on derivative swap contracts (net)	(15,58,303)	92,74,964
Operating profit before working capital changes	21,12,72,215	29,19,59,990
Movements in working capital :		
(Increase)/Decrease in trade receivables	5,26,95,143	(10,71,12,202)
(Increase)/Decrease in inventories	(21,26,421)	(24,05,216)
(Increase)/Decrease in financial assets	(4,59,032)	5,59,918
(Increase)/Decrease in other assets	(18,77,210)	32,39,08,105
Increase/(Decrease) in trade payables	6,99,74,832	(1,64,61,672)
Increase/(Decrease) in other liabilities	(2,97,65,596)	4,13,22,962
Increase/(Decrease) in provisions	7,97,823	(28,41,321)
Increase/(Decrease) in financial liabilities	37,008	(49,910)
Cash generated (used in) from operations	30,05,48,762	52,88,80,654
Direct taxes (paid) / Refund (net)	8,58,335	(82,51,249)
Net cash inflow from / (used in) from operating activities (A)	30,14,07,097	52,06,29,405
Cash flows from investing activities		
Purchase of property, plant and equipment	(51,028)	(97,198)
Investment in Mutual Fund	(81,33,14,000)	29,57,46,782
Proceeds from sale of Mutual Fund	81,58,44,028	(29,47,40,000)
Interest received	-	41,687
Net cash inflow from / (used in) investing activities (B)	24,79,000	9,51,271
Cash flows from financing activities		
Repayment of non-current borrowings	(43,94,07,825)	(30,46,27,091)
Proceeds from issue of Perpetual Securities	1,85,00,00,000	-
Proceeds from non-current inter corporate deposit	-	-
Proceeds from current inter corporate deposit	31,21,00,000	1,42,80,00,000
Repayment of non-current intercorporate deposit	(1,63,06,00,000)	-
Repayment of current intercorporate deposit	(1,46,67,94,490)	(33,04,05,511)
(Gain) / Loss on derivative swap contracts	15,58,303	(92,74,964)
Finance Cost paid	(5,63,73,120)	(5,81,54,692)
Net cash inflow from / (used in) financing activities (C)	(1,42,95,17,132)	72,55,37,742
Net increase / (decrease) in cash & cash equivalents (A + B + C)	(1,12,56,31,035)	1,24,71,18,417
Cash and cash equivalents at the beginning of the year	1,25,25,45,045	54,26,628
Cash and cash equivalents at the end of the year (Refer note-8)	12,69,14,010	1,25,25,45,045

Notes:

Component of cash and cash equivalents

Balances with scheduled bank

On current accounts

12,69,14,010

1,25,25,45,045

Total cash and cash equivalents

12,69,14,010

1,25,25,45,045

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 - 32

The accompanying note are an integral part of the financial statements

As per our report of even date

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

Shubham Rohatgi
Partner
Membership No. 183083

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

Ashutosh Verma **Shrikumar Nair**
Director Director
DIN: 08038591 DIN: 03035537

Anish Shah
Chief Financial Officer

Place: Ahmedabad
Date: April 26, 2019

Place: Ahmedabad
Date: April 26, 2019

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 aircrafts.

2 Significant accounting policies
Statement of compliance

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).

Basis of preparation

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 amended from time to time and other accounting principles generally accepted in India.

The Financial Statements have been prepared on a going concern basis under the historical cost conversion, 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)

i. Recognition and Measurement

Property, plant and equipment (including Capital work in progress) is stated at cost, net of accumulated depreciation and accumulated impairment

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.

ii. Depreciation

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.

iii. Derecognition

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

i. Recognition and Measurement

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.

ii. Amortisation

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

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.

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

iii. Derecognition

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

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.

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 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) 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.

l) 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.

m) 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

n) Taxes

i) Current 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.

o) 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.

p) Provisions (other than employee benefits), Contingent liabilities and contingent assets

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.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

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.

q) Expenditure

Expenditures are accounted net of taxes recoverable, wherever applicable.

r) 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.

s) 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.

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.

t) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, options etc. 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.

Fair value measurement of financial instruments

In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements includes consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 23.

Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in note 13.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in note 30.

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.

Amt in ₹

Particulars	Tangible assets						Intangible assets	
	Computer Hardware	Office Equipments	Furniture & Fixtures	Vehicles	Aircraft	Total	Software	Total
Cost								
As at April 1, 2017	9,95,356	4,23,621	1,35,504	8,72,572	2,92,47,50,426	2,92,71,77,479	4,74,411	4,74,411
Additions	46,964	45,310	4,922	-	-	97,196	-	-
Deductions/Adjustment	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-
Exchange difference	-	-	-	-	53,27,733	53,27,733	-	-
As at March 31, 2018	10,42,320	4,68,931	1,40,426	8,72,572	2,93,00,78,159	2,93,26,02,408	4,74,411	4,74,411
Additions	6	51,009	13	-	-	51,028	-	-
Deductions/Adjustment	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-
Exchange difference	-	-	-	-	8,47,36,452	8,47,36,452	-	-
As at March 31, 2019	10,42,326	5,19,940	1,40,439	8,72,572	3,01,48,14,611	3,01,73,89,888	4,74,411	4,74,411
Depreciation/amortisation								
As at April 1, 2017	4,37,295	2,32,126	48,231	4,67,330	34,69,83,260	34,81,68,242	2,12,727	2,12,727
Depreciation for the year	2,70,257	70,258	27,077	2,33,667	17,16,90,312	17,22,91,571	1,06,364	1,06,364
Deductions/(Adjustment)	-	-	-	-	-	-	-	-
As at March 31, 2018	7,07,551	3,02,384	75,308	7,00,997	51,86,73,572	52,04,59,812	3,19,091	3,19,091
Depreciation for the year	1,79,567	75,743	26,352	87,188	17,77,37,867	17,81,06,717	1,06,363	1,06,363
Deductions/(Adjustment)	-	-	-	-	-	-	-	-
As at March 31, 2019	8,87,118	3,78,127	1,01,660	7,88,185	69,64,11,439	69,85,66,529	4,25,454	4,25,454
Net Block								
As at March 31, 2019	1,55,208	1,41,813	38,779	84,387	2,31,84,03,172	2,31,88,23,359	48,957	48,957
As at March 31, 2018	3,34,769	1,66,547	65,118	1,71,575	2,41,14,04,587	2,41,21,42,595	1,55,320	1,55,320

Note: Refer note - 11 for security / charges created on Property, Plant & Equipments.

4 Trade Receivables (Unsecured, considered good unless otherwise Stated)		March 31, 2019	March 31, 2018
		Amt In ₹	Amt In ₹
Current			
from Other than Related Parties		5,14,20,965	7,93,35,479
from Related Parties (refer note 31)		45,45,93,754	47,93,74,383
Considered Doubtful		67,07,892	67,07,892
		51,27,22,611	56,54,17,754
Less: Provision for doubtful debts		(67,07,892)	(67,07,892)
		50,60,14,719	55,87,09,862
5 Other Financial assets (Unsecured, considered good unless otherwise Stated)		March 31, 2019	March 31, 2018
		Amt In ₹	Amt In ₹
Non-current			
Security and other deposits		1,27,91,892	1,20,68,700
		1,27,91,892	1,20,68,700
Current			
Security and other deposits		60,000	60,000
Loans and advances to employees		8,42,754	11,06,914
		9,02,754	11,66,914
6 Other Assets (Unsecured, considered good unless otherwise Stated)		March 31, 2019	March 31, 2018
		Amt In ₹	Amt In ₹
Non Current			
Advances recoverable other than in cash		5,72,602	12,05,479
	(A)	5,72,602	12,05,479
Others			
Advance income tax		1,30,58,425	1,39,16,760
	(B)	1,30,58,425	1,39,16,760
	(A + B)	1,36,31,027	1,51,22,239
Current			
Advances recoverable other than in cash			
Unsecured, considered good		49,72,907	15,18,075
Unsecured, considered doubtful		57,00,090	57,00,090
		1,06,72,997	72,18,165
Unsecured, considered doubtful		(57,00,090)	(57,00,090)
	(A)	49,72,907	15,18,075
Others			
Prepaid Expenses		21,23,080	17,34,847
Balances with statutory/ Government authorities			
Deposited against Demand in dispute		35,00,000	35,00,000
GST receivable		8,37,736	16,91,617
Gratuity Assets (refer note - 30)		-	4,79,097
	(B)	64,60,816	74,05,561
	(A + B)	1,14,33,723	89,23,636
7 Inventories		March 31, 2019	March 31, 2018
		Amt In ₹	Amt In ₹
Stores and spares		1,46,68,013	1,25,41,592
		1,46,68,013	1,25,41,592
Note :			
Inventories are valued at lower of cost or net realisable value			
8 Cash and cash equivalents		March 31, 2019	March 31, 2018
		Amt In ₹	Amt In ₹
Balances with banks:			
Balance in current account		12,69,14,010	1,25,25,45,045
		12,69,14,010	1,25,25,45,045
9 Share capital		March 31, 2019	March 31, 2018
		Amt In ₹	Amt In ₹
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, 2018)		45,00,00,000	45,00,00,000
		45,00,00,000	45,00,00,000

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, 2018)	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 at the beginning and end of the year:

	March 31, 2019		March 31, 2018	
	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 parent company

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

	March 31, 2019	March 31, 2018
	Amt In ₹	Amt In ₹
Adani Ports and Special Economic Zone Limited, the parent company and its nominee		
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, 2018)	45,00,00,000	45,00,00,000

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

Equity shares of ₹ 10 each fully paid	Particulars	March 31, 2019	March 31, 2018
Adani Ports and Special Economic Zone Limited, the parent company and its nominee	Nos	4,50,00,000	4,50,00,000
	% Holding	100.00%	100.00%

10 Other Equity

(i) Equity Component of Borrowing

	March 31, 2019	March 31, 2018
	Amt In ₹	Amt In ₹
- Opening balance	42,35,03,819	5,90,72,437
- Addition / (Reduction) during the year	(24,41,51,982)	36,44,31,382
- Closing Balance	(A) 17,93,51,837	42,35,03,819

(ii) Retained Earnings

- Opening balance	(60,81,16,151)	(56,90,57,463)
- Losses for the year	(4,72,81,772)	(3,90,39,605)
- Other Comprehensive Income	(9,03,627)	(19,083)
	(B) (65,63,01,549)	(60,81,16,151)

Note: The portion of profits not distributed among the shareholders are termed as retained earnings. The company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

(iii) Unsecured Perpetual Debt

- At the beginning of the year	-	-
- Issued / (Redeemed) during the year	1,85,00,00,000	-
- At the end of the year	(C) 1,85,00,00,000	-

Total (A) + (B) + (C) **1,37,30,50,288** **(18,46,12,332)**

Note: The Company had issued perpetual non convertible debentures amounting to ₹ 1,85,00,00,000 to Parent Company during the year. These securities are perpetual in nature with no fixed maturity or redemption period and are callable only at the option of the Company. These securities are issued with coupon of 6.50 % but payable at the option of the Company though in case Company decide to declare dividend, the interest will be paid. As these securities are perpetual in nature and the Company does not have any redemption obligation, these are classified as 'equity'.

11 Borrowings

Non-Current

Term loans

Foreign currency term loans (secured) (refer note a, b)
Inter Corporate Deposit (refer note c) (Unsecured)

Current maturities of long term borrowings

Foreign currency term loans (secured) (refer note a, b)
Less: Amount shown under other current liabilities (refer note 12)

Net Non-Current Borrowing

Current Borrowings

Inter Corporate Deposit (refer note c) (Unsecured)

Net current borrowing

The above amount includes

Secured borrowings
Unsecured borrowings

Total borrowings

Notes:

(a) Loan from Export Development Canada (₹ 15,49,43,569) which carries interest @ of LIBOR plus 253 basis points. Loan is repayable in 2 half yearly installments from the balance sheet date. The loan is secured by hypothecation of aircraft Challenger 605.

(b) Loan from Bank of America (₹ 74,23,98,750) which carries interest @ LIBOR plus 175 basis points. The loan is repayable in 10 quarterly installments from the balance sheet date. 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 parent company, at Nil interest rate which is repayable within a year which may be further extended on mutual terms.

	March 31, 2019	March 31, 2018
	Amt In ₹	Amt In ₹
Non-Current		
Term loans		
Foreign currency term loans (secured) (refer note a, b)	45,22,20,877	84,56,98,584
Inter Corporate Deposit (refer note c) (Unsecured)	-	1,36,24,34,879
	45,22,20,877	2,20,81,33,463
Current maturities of long term borrowings		
Foreign currency term loans (secured) (refer note a, b)	44,51,21,441	40,63,15,107
Less: Amount shown under other current liabilities (refer note 12)	(44,51,21,441)	(40,63,15,107)
	-	-
	45,22,20,877	2,20,81,33,463
Net Non-Current Borrowing		
Current Borrowings		
Inter Corporate Deposit (refer note c) (Unsecured)	15,65,00,000	1,31,11,94,489
Net current borrowing	15,65,00,000	1,31,11,94,489
The above amount includes		
Secured borrowings	89,73,42,318	1,25,20,13,691
Unsecured borrowings	15,65,00,000	2,67,36,29,368
Total borrowings	1,05,38,42,318	3,92,56,43,059

12 Other financial liabilities

Current

Current maturities of long term borrowings (refer note 11)
Interest accrued but not due on borrowings
Capital creditors, retention money and other payable
Derivative Liabilities

	March 31, 2019	March 31, 2018
	Amt In ₹	Amt In ₹
Current maturities of long term borrowings (refer note 11)	44,51,21,441	40,63,15,107
Interest accrued but not due on borrowings	64,56,627	76,02,428
Capital creditors, retention money and other payable	24,75,995	24,38,987
Derivative Liabilities	57,05,261	5,21,147
	45,97,59,324	41,68,77,669

13 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, 2019 is ₹ 15,25,52,325/- (March 31, 2018 ₹ 12,05,46,244/-). However the company has recognised deferred tax assets 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 29.12%
Unrecognised tax impact of OCI (income) / expenses
Unrecognised deferred tax
Effect of expenses that are not deductible in determining taxable profit
Effect of changes in tax rate from 34.608% to 28.84%
Impact of Deferred Tax of Previous year
Recognition of credits for previous period tax losses
Income tax expense recognised in profit or loss

	March 31, 2019	March 31, 2018
	Amt In ₹	Amt In ₹
Property, Plant & Equipment	54,58,03,787	58,59,16,332
Total	54,58,03,787	58,59,16,332
Tax effect of items constituting deferred tax assets :		
(i) Unabsorbed depreciation	54,38,87,293	58,46,49,213
(ii) Unpaid leave encashment	12,57,427	9,90,447
(iii) Unpaid Gratuity	2,28,483	(1,39,513)
(iv) Unpaid Bonus	4,30,585	4,16,185
Total	54,58,03,788	58,59,16,532
Particulars		
Profit / (loss) before taxes		
Income tax expense calculated at 29.12%	(4,72,81,772)	(5,90,39,605)
Unrecognised tax impact of OCI (income) / expenses	(1,37,68,452)	(1,12,59,022)
Unrecognised deferred tax	(2,63,136)	(5,504)
Effect of expenses that are not deductible in determining taxable profit	3,20,06,081	-
Effect of changes in tax rate from 34.608% to 28.84%	69,92,626	2,95,92,161
Impact of Deferred Tax of Previous year	-	(22,51,804)
Recognition of credits for previous period tax losses	(2,49,67,119)	(1,60,75,831)
Income tax expense recognised in profit or loss	-	-

(b) Movement in deferred tax assets/liabilities for the year ended 31st March, 2019

Amt in ₹

Particulars	Opening Balance as at 1st April, 2018	Recognised in profit and Loss	Recognised in other comprehensive income	Closing balance as at 31st March, 2019
Tax effect of items constituting deferred tax liabilities :				
Property, Plant & Equipment	58,59,16,332	(4,01,12,545)	-	54,58,03,787
Total	58,59,16,332	(4,01,12,545)	-	54,58,03,787
Tax effect of items constituting deferred tax assets :				
(i) Unabsorbed depreciation	58,46,49,213	(4,07,61,921)	-	54,38,87,293
(ii) Unpaid leave encashment	9,90,447	2,66,980	-	12,57,427
(iii) Unpaid Gratuity	(1,39,513)	3,67,996	-	2,28,483
(iv) Unpaid Bonus	4,16,185	14,400	-	4,30,585
Total	58,59,16,332	(4,01,12,545)	-	54,58,03,787
	-	-	-	-

(c) 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
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
	-	-	-	-

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

Particulars	March 31, 2019 Amt in ₹	March 31, 2018 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	52,38,74,741	41,79,82,815
	52,38,74,741	41,79,82,815

14 Provisions

Non-current

	March 31, 2019 Amt in ₹	March 31, 2018 Amt in ₹
Provision for gratuity (refer note 30)	7,84,624	-
Provision for compensated absences	27,39,046	21,64,832
	35,23,670	21,64,832

Current

	March 31, 2019 Amt in ₹	March 31, 2018 Amt in ₹
Provision for gratuity (refer note 30)	-	-
Provision for compensated absences	15,79,041	12,36,429
	15,79,041	12,36,429

Note :

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

15 Other Liabilities

Current

Statutory liability	March 31, 2019 Amt in ₹	March 31, 2018 Amt in ₹
- TDS Payable	12,66,197	3,75,171
- PF Payable	4,30,765	3,86,955
- Other statutory liability (Including Professional Tax,GST,etc.)	1,23,86,879	4,30,87,312
	1,40,83,841	4,38,49,437

16 Trade Payables	March 31, 2019 Amt In ₹	March 31, 2018 Amt In ₹
Total outstanding dues of micro enterprises and small enterprises (refer note - 34)	1,68,179	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	9,43,43,234	2,45,31,916
	9,45,11,413	2,45,31,916
Note: refer note - 31 for related parties dues		
17 Revenue from Operations	March 31, 2019 Amt In ₹	March 31, 2018 Amt In ₹
Revenue from Contract with Customers		
Income from Aircraft Operations	62,71,73,298	55,10,63,174
	62,71,73,298	55,10,63,174
18 Other Income	March 31, 2019 Amt In ₹	March 31, 2018 Amt In ₹
Interest Income on		
Bank deposits	-	3,071
Income Tax Refund	5,03,851	-
Income from NSC	-	38,616
Unclaimed liabilities / excess provision written back	-	6,47,371
Profit on sale of Mutual Fund	25,30,028	9,46,782
	30,33,879	16,35,840
19 Operating Expenses	March 31, 2019 Amt In ₹	March 31, 2018 Amt In ₹
Aircraft fuel	6,28,97,453	5,65,61,866
Airport charges	3,06,48,431	3,18,86,656
Aircraft hiring charges	80,18,756	24,59,034
Aircraft running & operating expenses	48,95,574	60,69,275
Pilot hiring charges	22,70,032	11,27,433
	10,87,30,246	9,81,04,263
20 Employee benefit expense	March 31, 2019 Amt In ₹	March 31, 2018 Amt In ₹
Salaries and wages	4,43,03,408	5,23,11,235
Contribution to provident and other funds	22,43,037	25,08,323
Gratuity (refer note 30)	6,20,221	7,87,468
Staff welfare expenses	6,96,299	14,32,202
	4,78,62,965	5,70,39,228
21 Finance Costs	March 31, 2019 Amt In ₹	March 31, 2018 Amt In ₹
Interest Expenses:		
Fixed loans, Buyer's credit, Short term etc.	5,11,63,656	5,04,16,170
Interest on loan from related party	2,40,13,139	10,26,08,047
Interest on service tax	-	3,98,331
Others	13,122	11,263
Other Borrowing Cost:		
Bank and other finance charges	40,50,541	37,42,362
(Gain) / Loss on derivatives / Swap contracts (net)	36,25,812	30,54,179
	7,92,40,458	15,71,76,173
	8,28,66,270	16,02,30,352

22 Other Expenses

	March 31, 2019 Amt In ₹	March 31, 2018 Amt In ₹
Legal, Professional & Subscription expenses	72,46,933	47,29,508
Travelling and Conveyance	70,90,929	80,64,738
Stores & Spares consumed	3,69,22,579	1,61,06,583
Repair & Maintenance expenses		
Aircraft	19,50,09,424	6,19,00,578
Vehicles	1,20,966	85,748
Office equipments	11,722	10,336
Others	1,33,746	76,735
Rent expenses	13,23,744	15,86,999
Telephone & Internet expenses	11,35,514	10,68,335
Rates and Taxes - Permission & License Fees	11,15,681	12,94,381
Printing, Stationery & Postage charges	2,61,863	1,15,963
Security expenses	2,37,458	2,21,883
Office expenses	2,31,349	2,97,757
Electricity expenses	2,38,730	2,18,170
Miscellaneous expenses	1,55,887	1,20,687
Insurance expenses	59,59,187	62,07,196
Loss on foreign exchange variation (net)	4,665	7,147
Advertisement and Publicity	24,83,011	16,41,427
Payment to auditors (refer note 1 below)	85,000	80,325
Directors sitting fee	48,000	1,32,345
	25,98,16,388	10,39,66,841

Note: 1

Payment to Auditor

As auditor:

Audit fee

In other capacity

Certification fees

Other services

Reimbursement of expenses

	March 31, 2019 Amt In ₹	March 31, 2018 Amt In ₹
Audit fee	85,000	75,000
Certification fees	-	-
Other services	-	5,325
	85,000	80,325

23 Fair Value Measurement

a) The carrying value of financial instruments by categories as of March 31, 2019 is as follows :

Particulars	through other Comprehensive Income	Fair Value through Profit & Loss	Derivative instruments not in hedging relationship	Amt In ₹	
				Amortised Cost	Total
Financial Asset					
Trade receivables	-	-	-	50,60,14,719	50,60,14,719
Cash and cash equivalents	-	-	-	12,69,14,010	12,69,14,010
Others financial assets	-	-	-	1,36,94,646	1,36,94,646
	-	-	-	64,66,23,375	64,66,23,375
Financial Liabilities					
Borrowings	-	-	-	60,87,20,877	60,87,20,877
Trade payables	-	-	-	9,45,11,413	9,45,11,413
Other financial liabilities	-	57,05,261	-	45,40,54,063	45,97,59,324
	-	57,05,261	-	1,15,72,86,353	1,16,29,91,614

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

Particulars	Fair Value through other Comprehensive	Fair Value through Profit & Loss	Derivative instruments not in hedging relationship	Amt In ₹	
				Amortised Cost	Total
Financial Asset					
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

24 Fair value hierarchy :

Amt In ₹

Particulars	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Liabilities				
Derivative Liabilities	-	57,05,261	-	57,05,261
Total	-	57,05,261	-	57,05,261

Amt In ₹

Particulars	As at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Liabilities				
Derivative Liabilities	-	5,21,147	-	5,21,147
Total	-	5,21,147	-	5,21,147

25 Financial Instrument & Financial Risk Review

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.

Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended March 31, 2019 would decrease / increase by ₹ 44.86 Lacs (previous year ₹ 62.60 Lacs). This is mainly attributable to interest rates on variable rate long term borrowings.

Foreign currency risk

Exchange rate movements, particularly the United States Dollar (USD) 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.

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	Amt In ₹	
		Impact on profit before tax	
		For the year ended March 31, 2019	For the year ended March 31, 2018
1	USD Sensitivity		
	INR / USD – Increase by 1%	(1,17,650)	(1,69,034)
	INR / USD – Decrease by 1%	1,17,650	1,69,034

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, 2019	Total Carrying Value	On demand or within 1 year	Over 1 year Within 5 years	Over 5 years
Borrowings	1,05,38,42,318	60,16,21,441	45,22,20,877	-
Trade payables	9,45,11,413	9,45,11,413	-	-
Other financial liabilities	1,46,37,883	1,46,37,883	-	-
Total	1,16,29,91,614	71,07,70,737	45,22,20,877	-

Contractual maturities of financial liabilities as at March 31, 2018	Total Carrying Value	On demand or within 1 year	Over 1 year Within 5 years	Over 5 years
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	-

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, 2019	Total Carrying Value	On demand or within 1 year	Over 1 year Within 5 years	Over 5 years
Trade receivables	50,60,14,719	50,60,14,719	-	-
Cash and cash equivalents	12,69,14,010	12,69,14,010	-	-
Other financial assets	1,36,94,646	9,02,754	-	1,27,91,892
Total	64,66,23,375	63,38,31,483	-	1,27,91,892

Contractual maturities of financial assets as at March 31, 2018	Total Carrying Value	On demand or within 1 year	Over 1 year Within 5 years	Over 5 years
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

26 Earnings per share

	March 31, 2019 Amt In ₹	March 31, 2018 Amt In ₹
Profit / (Loss) attributable to equity shareholders of the company	(4,72,81,772)	(3,90,39,605)
Weighted average number of equity shares outstanding during the year	4,50,00,000	4,50,00,000
Basic and Diluted earning per share (in ₹) (face value of equity shares ₹ 10 each)	(1.05)	(0.87)

27 Capital & other commitments:

Particulars	Amt In ₹	
	March 31, 2019	March 31, 2018
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	88,087	Nil

28 Contingent liabilities not provided for

Sr.No.	Particulars	Amt In ₹	
		March 31, 2019	March 31, 2018
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 Customs department.	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. The company has paid Rs 35,00,000/- under protest.	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
f	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.	-	-

29 Segment information

In accordance with the Ind-As 108 -" Operating Segments" , the Company has a single operating segment as Aviation services. 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 themselves as at and for the financial year ended 31st March, 2019

30 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.

Gratuity

a) Changes in present value of the defined benefit obligation are as follows:

Amt In ₹

Particulars	March 31, 2019	March 31, 2018
Present value of the defined benefit obligation at the beginning of the year	30,92,878	33,44,764
Current service cost	6,57,564	6,22,242
Interest cost	2,41,073	2,54,021
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(77,437)	-
- change in financial assumptions	7,58,610	(95,956)
- experience variance	1,85,014	2,47,082
Benefits paid	(2,17,655)	(11,31,957)
Liability Transfer In	57,292	16,808
Liability Transfer Out	(99,765)	(1,64,126)
Present value of the defined benefit obligation at the end of the year	45,97,574	30,92,878

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

Amt In ₹

Particulars	March 31, 2019	March 31, 2018
Fair value of plan assets at the beginning of the year	35,71,976	11,69,238
Investment income	2,78,416	88,798
Contributions by employer	-	21,81,899
Return on plan assets, excluding amount recognised in net interest expense	(37,442)	1,32,041
Fair value of plan assets at the end of the year	38,12,950	35,71,976

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

Amt In ₹

Particulars	March 31, 2019	March 31, 2018
Present value of the defined benefit obligation at the end of the year	45,97,574	30,92,878
Fair value of plan assets at the end of the year	38,12,950	35,71,976
Amount recognised in the balance sheet	(7,84,624)	4,79,098
Net (liability)/asset - Current	-	4,79,098
Net (liability)/asset - Non-current	(7,84,624)	-

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

Amt In ₹

Particulars	March 31, 2019	March 31, 2018
Current service cost	6,57,564	6,22,242
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	(37,343)	1,65,223
Total Expenses included in employee benefits expense	6,20,221	7,87,465

e) Recognised in the other comprehensive income for the year

Amt In ₹

Particulars	March 31, 2019	March 31, 2018
Actuarial (gain)/losses arising from		
- change in demographic assumptions	(77,437)	-
- change in financial assumptions	7,58,610	(95,956)
- experience variance (i.e. actual experience vs assumptions)	1,85,014	2,47,082
Return on plan assets, excluding amount recognised in net interest expense	37,442	(1,32,041)
Recognised in comprehensive income	9,03,629	19,085

f) Maturity profile of Defined Benefit Obligation

Amt In ₹

Particulars	March 31, 2019	March 31, 2018
Weighted average duration (based on discounted cash flows)	9 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, 2019		March 31, 2018	
	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	(3,86,646)	4,43,359	(4,27,293)	5,13,197

Particulars	March 31, 2019		March 31, 2018	
	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	4,37,263	(3,88,671)	5,12,155	(4,33,906)

Particulars	March 31, 2019		March 31, 2018	
	Attrition rate			
Sensitivity level	0.50% Increase	0.50% Decrease	0.50% Increase	0.50% Decrease
	Amt In ₹	Amt In ₹	Amt In ₹	Amt In ₹
Impact on defined benefit obligations	(73,498)	89,730	(21,941)	23,062

Particulars	March 31, 2019		March 31, 2018	
	Mortality rate			
Sensitivity level	0.10% Increase	0.10% Decrease	0.10% Increase	0.10% Decrease
	Amt In ₹	Amt In ₹	Amt In ₹	Amt In ₹
Impact on defined benefit obligations	(155)	156	1,421	(1,428)

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, 2019	March 31, 2018
Investments with insurer	100%	100%

The company expects to contribute ₹ 16,30,662/- 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:

Amt In ₹

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.60%	7.80%
Rate of escalation in salary (per annum)	8.00%	7.00%
Mortality	Indian assured mortality table 2006-08	Indian assured mortality table 2006-08
Attrition rate	7.75%	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:

Amt in ₹

Particulars	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Defined benefit obligation	(45,97,574)	(30,92,878)	(33,44,764)	(37,86,217)	(21,73,720)
Plan assets	38,12,950	35,71,975	11,69,238	10,92,060	10,17,914
Surplus/(deficit)	(7,84,624)	4,79,097	(21,75,526)	(26,94,157)	(11,55,806)
Experience adjustments on plan liabilities (gain)/loss	1,85,014	2,47,082	(61,330)	2,97,903	(4,45,391)
Experience adjustments on plan assets gain / (loss)	37,442	(1,32,043)	9,033	(7,053)	(21,185)

Note 31 - Related Parties Disclosure

Particulars	Name of Company
Parent Company	Adani Ports and Special Economic Zone Limited
Fellow Subsidiary	Dhamra Port Company Limited
	Adani Vizhinjam Port Private Limited
	Adani Hazira Port Private Limited
	Adani Kattupli Port Private Limited
Entities over which major shareholders of parent company are able to exercise Significant Influence through voting power	Adani Wilmar Limited
	Adani Power Limited
	Adani Power Mundra Ltd
	Maharashtra Eastern Grid Power Transmission Company Limited
	Shantigram Estate Management Private Limited
	Adani Gas Limited
	Adani Enterprises Limited
	Adani Bunkering Private Limited
	Adani Electricity Mumbai Ltd
	Adani Green Energy Limited
	Mundra Solar Pvt Limited
	Adani Power Jharkhand Limited
	Adani Townships And Real Estate Company Private Limited
	Adani Gas Limited
Key Management Personnel	1. Mr S. K. Bhatti
	2. Mr B. Ravi (upto April 28, 2018)
	3. Mr Shrikumar Nair
	4. Mr Jay Shah (upto October 26, 2018)
	5. Mr Ashutosh Verma (from October 17, 2018)
	6. Mr Anish Shah

Terms and conditions of transactions with related parties

Outstanding balances of related parties at the year-end are unsecured and settlement occurs in cash. Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions.

Notes:

The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

Transactions	Name of Related Party	Amt in ₹	
		March 31, 2019	March 31, 2018
Services Rendered	Adani Ports & Special Economic Zone Limited	33,70,92,049	39,25,42,276
	Adani Power Limited	4,31,00,000	-
	Adani Power Mundra Ltd	-	4,40,33,501
	Adani Hazira Port Private Limited	-	2,15,00,417
	Maharashtra Eastern Grid Power Transmission Company Limited	3,24,66,665	-
	Shantigram Estate Management Private Limited	2,40,00,000	-
	Adani Gas Limited	2,40,00,000	-
	Adani Enterprises Limited	4,97,57,997	-
	Adani Bunkering Private Limited	75,42,000	-
	Adani Electricity Mumbai Limited	4,02,00,000	-
	Adani Green Energy Limited	2,40,00,000	-
	Mundra Solar Pv Limited	2,40,00,000	-
	Adani Power Jharkhand Limited	17,71,356	-
	Adani Kattupli Port Private Limited	-	1,35,67,083
The Dhamra Port Company Limited	-	1,71,38,333	
Adani Vizhinjam Port Private Limited	-	2,42,13,750	
Recovery of Expenses (incl. net of reimbursement)	Adani Ports and Special Economic Zone Limited	21,75,000	-
Interest accrued but not due	Adani Ports and Special Economic Zone Limited	2,40,13,140	10,26,08,047
Services availed	Adani Enterprises Limited	10,48,080	20,70,308
	Adani Townships And Real Estate Company Private Limited	4,354	-
Directors Sitting Fees	Krishnakumar Mishra	-	54,135
	Jay Shah	48,000	78,135
Issue of Perpetual Securities	Adani Ports and Special Economic Zone Limited	1,85,00,00,000	-
Inter-corporate deposit (taken)	Adani Ports and Special Economic Zone Limited	31,21,00,000	1,42,80,00,000
Inter-corporate deposit (repaid)	Adani Ports and Special Economic Zone Limited	3,09,73,94,490	33,04,05,511

		Amt in ₹	
Closing Balance	Name of Related Party	March 31, 2019	March 31, 2018
Balance O/s - Due From	Adani Ports and Special Economic Zone Limited	-	9,72,56,306
	Adani Power Mundra Limited	26,40,27,042	38,21,18,077
	Adani Power Limited	4,99,62,423	-
	Adani Wilmar Limited	93,549	-
	Adani Gas Limited	27,06,666	-
	Adani Enterprises Limited	85,09,760	-
	Adani Bunkering Private Limited	10,42,720	-
	Adani Electricity Mumbai Limited	4,74,36,000	-
	Adani Green Energy Limited	2,47,19,997	-
	Mundra Solar Pv Limited	2,35,19,997	-
	Maharashtra Eastern Grid Power Transmission Company Limited	42,56,000	-
	Shantigram Estate Management Private Limited	2,83,20,000	-
Inter-corporate deposit payable	Adani Ports and Special Economic Zone Limited	15,65,00,000	2,94,17,94,489
Balance O/s - Due To	Adani Townships And Real Estate Company Private Limited	4,354	-
	Adani Enterprises Limited	5,05,264	5,99,181

Others:

		Amt in ₹	
Balance - Guarantees & Collateral Securities	Adani Ports and Special Economic Zone Limited	1,49,67,23,869	1,85,13,95,243

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32 Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended)

Particulars of Liabilities arising from Financing activity	Note No.	As at April 1, 2018	Cash flows	Non Cash Changes		As at March 31, 2019
				Effect due to changes in foreign exchange rates	Other changes	
Foreign Loan - Long term	11	1,25,20,13,691	(43,94,07,825)	8,47,36,452	-	89,73,42,318
Inter Corporate Deposits	11	2,67,36,29,369	(2,78,52,94,489)	-	26,81,65,121	15,65,00,000
Total		3,92,56,43,060	(3,22,47,02,314)	8,47,36,452	26,81,65,121	1,05,38,42,318

Particulars of Liabilities arising from Financing activity	Note No.	As at April 1, 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	11	1,55,13,13,051	(30,46,27,091)	53,27,731	-	1,25,20,13,691
Inter Corporate Deposits	11	1,83,78,58,214	1,09,75,94,489	-	(26,18,23,335)	2,67,36,29,369
Total		3,38,91,71,265	79,29,67,398	53,27,731	(26,18,23,335)	3,92,56,43,060

33 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, 2019	March 31, 2018
Net debt (total debt less cash and cash equivalents)	92,69,28,308	2,67,30,98,014
Total capital	1,82,30,50,288	26,53,87,668
Total capital and net debt	2,74,99,78,596	2,93,84,85,682
Gearing ratio	33.71%	90.97%

34 Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III the Companies Act, 2013 for the year ended March 31, 2019. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Sr No	Particulars	Amt In ₹	
		Year ended March 31, 2019	Year ended March 31, 2018
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	1,68,179	Nil
	Interest	Nil	Nil
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

35 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, 2019	March 31, 2018	
	Amt In \$	Amt In \$	
Option Contract	-	10,72,992	Hedging of foreign currency borrowing.
Forward Contract	53,75,523	-	Hedging of foreign currency borrowing.
Total	53,75,523	10,72,992	

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

Nature	As at March 31, 2019		As at March 31, 2018	
	Amount	Foreign Currency	Amount	Foreign Currency
	Amt In ₹	Amt In \$	Amt In ₹	Amt In \$
Foreign currency loan	52,55,98,025	76,00,290	1,18,20,81,452	1,81,37,038
Interest accrued but not due	64,56,627	93,365	76,02,428	1,16,646
Trade payables	53,08,369	76,760	93,00,947	1,42,773
Total	53,75,63,021	77,70,415	1,19,89,84,827	-

Closing rates as at March 31, 2019:
INR / USD = ₹ 69.155

Closing rates as at March 31, 2018:
INR / USD = ₹ 65.175

36 Figures of the previous period / year have been regrouped, wherever considered necessary to make them comparable to current period's figures.

37 Standard issued but not effective:

The amendments to standards and new 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 new standards / amendments to Ind AS through (Indian Accounting Standards) Amendment Rules, 2019. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board(IASB) into Ind AS and has amended the following new standards:

1. Ind AS 116 - Lease
2. Ind AS 12 - Income Taxes
3. Ind AS 19 - Plan Amendment, Curtailment or Settlement

These amendments / new issued standards are effective for annual periods beginning on or after April 01, 2019. Application of these amendments / new issued standards 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 / new issued standards on its financial statements. The Company will adopt these amendments, if applicable, from their applicability date.

38 Events occurring after the Balance sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of April 26, 2019 there are no subsequent events to be recognized or reported that are not already disclosed.

39 Approval of financial statements

The financial statements were approved for issue by the board of directors on April 26, 2019.

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

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

Shubham Rohatgi
Partner
Membership No. 183083

Ashutosh Verma
Director
DIN: 08038591

Shrikumar Nair
Director
DIN: 03035537

Place: Ahmedabad
Date: April 26, 2019

Anish Shah
Chief Financial Officer

Place: Ahmedabad
Date: April 26, 2019