Karnavati Aviation Private Limited

Financial Statements for the FY - 2022-23

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

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Karnavati Aviation Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, 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 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, 2023, the profit 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.

Emphasis of Matter

We draw attention to Note 36(ii) of the accompanying financial statements, regarding the ongoing investigations of Securities and Exchange Board of India and the committee constituted by Hon'ble Supreme Court in respect of the matters more fully described in aforesaid note. Our opinion is not modified in respect of this matter.

Information other than the Financial Statements and Auditor's Report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the standalone financial statements and our auditors' report thereon.

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

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

Management's Responsibility for the Standalone Financial Statements

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

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.

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.

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

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, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "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 (Continue)

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 including other comprehensive income, 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 operating effectiveness of such controls, refer to our separate report in 'Annexure B"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   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:

      a) The Company has adequately disclosed the impact of pending litigations in its Standalone Financial Statements which may impact its financial position; Refer Note 25 to the financial statements;

      b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      (d) (i) The management of the company has represented that, to the best of it's knowledge and belief, other than as disclosed in note 37(d) to financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

(ii) The management of the company has represented that, that, to the best of it's knowledge and belief, other than as disclosed in note 37(d) to financial statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under d(i) and d(ii) above, contain any material misstatement.

e) The company has not declared or paid any dividend during the year.

f) The Ministry of Corporate Affairs (MCA) has amended the Rule 3 of Companies (Accounts) rules, 2014 by way of notification dated 31st March, 2022. Accordingly requirement to have accounting software with a feature of recording audit trail is extended till 1st April, 2023. Therefore, nothing is required to be reported under this para for the year under review.

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, though managerial remuneration has been paid/ provided, the Company being a private Company, provisions of Section 197 read with Schedule V of the Companies Act, 2013 is not applicable to the company.

For, SHAH DHANDHARIA & CO LLP
Chartered Accountants
Firm Registration No. 118707W/W100724

Place: Ahmedabad
Date: 18th May 2023

Shubham Rohatgi
Partner
Membership No. 183083
UDIN: 23183083BGVATX2603

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 Standalone Financial Statements for the year ended 31st March, 2023, we report that:

(i) (a) (A) In our opinion and according to the information and explanation given to us and the records produced to us for our verification, the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The company does not have any intangible assets. Accordingly, the provisions of paragraph 3 (i) (a)(B) of the Order are not applicable.

(b) As explained to us, property, plant & equipment, according to the practice of the Company, are physically verified by the management at reasonable interval, in a phased verification manner, in our opinion, is reasonable looking to the size of the Company and the nature of its assets and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and representations made by the Management, the Company does not have any immovable property. Accordingly, the provisions of paragraph 3 (i) (c) of the Order are not applicable.

(d) According to the information and explanation given to us and the records produced to us for our verification, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the provision of paragraph 3(i)(d) of the Order are not applicable.

(e) According to the information and explanation given to us and the records produced to us for our verification, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) 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.

(b) According to the information and explanation given to us and the records produced to us, the company has not been sanctioned any working capital limits from banks or financial institutions on the basis of security of current assets. Accordingly, the provision of paragraph 3(ii)(b) of the Order are not applicable.

(iii) According to the information and explanation given to us and the records produced to us for our verification, during the year the company has not made investment, provided any guarantee or security or granted any loan or advances in nature of loans, secured and unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clause 3(iii) (a) to (f) of the Order are not applicable to the Company.

Annexure - A To the Independent Auditor's Report
Re: Karnavati Aviation Private Limited (Continue)

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

(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) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be 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 to the company.

(vi) According to the information and explanation given to us, the maintenance of cost records under section 148(1) of the Act as prescribed by the Central Government is not applicable to the company for the year under consideration. Accordingly, the provisions of paragraph 3(vi) of the Order are not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of goods and services tax, income tax, Provident Fund, Duty of Customs, Cess and other material statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues referred above were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of income tax, goods and services 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.

(Amount in Rupees)

Name of Statute	Nature of the dues	Forum where dispute is pending	Amount (*)	Amount paid under protest	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.

Annexure - A To the Independent Auditor's Report
Re: Karnavati Aviation Private Limited (Continue)

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

(viii) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not surrendered or disclosed previously undisclosed transactions as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not declared willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, during the year company has not availed term loan. Accordingly, the provisions of paragraph 3(ix)(c) of the Order are not applicable to the company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that, prima facie, no funds raised on short-term basis have been used for long-term purposes by the company.

(e) According to the information and explanations given to us, the company does not have any subsidiaries, associates or joint ventures. Accordingly, the provisions of paragraph 3(ix)(e) of the Order are not applicable to the company.

(f) According to the information and explanations given to us, the company does not have any subsidiaries, associates or joint ventures. Accordingly, the provisions of paragraph 3(ix)(e) of the Order are not applicable to the company.

(x) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable to the Company.

(b) 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 of shares or not issued any fully or partly convertible debenture during the year under review. Accordingly, the provisions of Clause 3(x)(b) of the Order are not applicable. However, the company has raised funds from its parent company by way of issue of unsecured perpetual securities during the year.

Annexure - A To the Independent Auditor's Report
Re: Karnavati Aviation Private Limited (Continue)

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

(xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we have neither come across any instance of fraud by the company or on the company that has been noticed or reported during the year.

(b) No report on any matter under sub-section (12) of section 143 of the Companies Act has been filed by in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management and based on our examination of the records of the Company, there are no whistle blower complaints received by the company during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provision of Clauses 3 (xii) of the Order is 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 is in compliance with section 177 and 188 of the Companies Act where applicable and the details have been disclosed in financial statements as required by the Indian accounting standards.

(xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the company issued till date, for the period under audit.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions, within the meaning of Section 192 of the Act, with directors or persons connected with them.

(xvi) (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934.

(c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of paragraph 3(xvi) (c) & (d) of the Order is not applicable to the Company.

Annexure - A To the Independent Auditor's Report
Re: Karnavati Aviation Private Limited (Continue)

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

(xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

(xviii) There is no resignation of the statutory auditors during the year in the company. Accordingly, paragraph 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub- section (5) of section 135 of the said Act. Accordingly, the clause 3(xx) (a) of the order is not applicable for the year.

(b) There are no amounts remaining unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project has been transferred to special account in compliance with provision of sub section (6) of section 135 of the said Act.

For, SHAH DHANDHARIA & CO LLP
Chartered Accountants
Firm Registration No. 118707W/W100724

Place: Ahmedabad
Date: 18th May 2023

Shubham Rohatgi
Partner
Membership No. 183083
UDIN: 23183083BGVATX2603

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).

Opinion

We have audited the internal financial controls over financial reporting of the company as of 31st March, 2023 in conjunction with our audit of the Standalone Financial Statements of the company for the year ended on that date.

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 2023, 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.

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 (the Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

(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.

For, SHAH DHANDHARIA & CO LLP
Chartered Accountants
Firm Registration No. 118707W/W100724

Place: Ahmedabad
Date: 18th May 2023

Shubham Rohatgi
Partner
Membership No. 183083
UDIN: 23183083BGVATX2603

Karnavati Aviation Private Limited
CIN : U63090GJ2007PTC051309
Balance Sheet as at March 31, 2023

₹ in Lacs

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, plant and equipment	3(a)	16,447.77	18,270.34
Right-of-Use Assets	3(b)	35,894.74	-
Financial Assets			
(i) Other financial assets	4	528.55	133.22
Income Tax Assets (Net)		327.58	96.35
Other non-current assets	5	11,479.81	1,046.96
		64,678.45	19,546.87
Current Assets			
Inventories	6	472.15	281.99
Financial Assets			
(i) Trade receivables	7	9,528.88	4,107.56
(ii) Cash and cash equivalents	8	88.77	15.28
(iii) Other financial assets	4	1.60	15.78
Other Current Assets	5	846.07	376.76
		10,937.47	4,797.37
Total Assets		**75,615.92**	**24,344.24**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	4,500.00	4,500.00
Instruments entirely equity in nature	10	30,000.00	18,500.00
Other Equity	11	(2,492.97)	(3,344.72)
Total Equity		32,007.03	19,655.28
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Lease Liabilities	12	36,520.94	-
Provisions	13	174.90	105.43
		36,695.84	105.43
Current Liabilities			
Financial Liabilities			
(i) Borrowings	14	3,308.46	3,679.70
(ii) Lease Liabilities	12	2,385.07	-
(iii) Trade Payables	15		
- total outstanding dues of micro enterprises and small enterprises		95.66	1.25
- total outstanding dues of creditors other than micro enterprises and small enterprises		941.34	703.44
(iii) Other financial liabilities	16	6.27	0.75
Other Current Liabilities	17	116.77	159.78
Provisions	13	59.48	38.61
		6,913.05	4,583.53
Total Liabilities		43,608.89	4,688.96
Total Equity and Liabilities		**75,615.92**	**24,344.24**

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

For SHAH DHANDHARIA & CO LLP
Chartered Accountants
Firm's Registration No.: 118707W/W100724

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

Shubham Rohatgi
Partner
Membership No. 183083

Sarojkumar Mohapatra
Director
DIN: 09404900

Nirav Bhatt
Director
DIN: 09404518

Piyush Gandhi
Chief Financial Officer

Place: Ahmedabad
Date: May 18, 2023

Place: Ahmedabad
Date: May 18, 2023

Karnavati Aviation Private Limited
CIN : U63090GJ2007PTC051309
Statement of Profit and Loss for the year ended March 31, 2023

₹ in Lacs

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from operations	18	19,265.63	7,959.74
Other income	19	24.18	16.74
Total Income		**19,289.81**	**7,976.48**
EXPENSES			
Operating expenses	20	4,036.21	1,590.71
Employee benefits expense	21	1,184.02	824.90
Finance costs	22	1,481.92	55.44
Depreciation and amortization expense	3	5,090.93	1,824.56
Foreign Exchange (Gain) / Loss (net)		3,251.38	-
Other expenses	23	3,373.74	1,962.87
Total Expense		**18,418.20**	**6,258.48**
Profit before exceptional items		**871.61**	**1,718.00**
Exceptional items		-	-
Profit before tax		**871.61**	**1,718.00**
Tax expenses:	24		
Current Tax		-	-
Deferred Tax		-	-
Income tax expenses		**-**	**-**
Profit for the year	(A)	**871.61**	**1,718.00**
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)		(19.86)	(6.59)
Income tax effect		-	-
		(19.86)	(6.59)
Items that will be reclassified to profit or loss in subsequent periods		-	-
Total Other Comprehensive Income (net of tax)	(B)	**(19.86)**	**(6.59)**
Total comprehensive income for the year (net of tax)	(A+B)	**851.75**	**1,711.41**
Basic and diluted earnings per equity shares (in ₹) face value of ₹10 each	25	**1.94**	**3.82**

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

For SHAH DHANDHARIA & CO LLP
Chartered Accountants
Firm's Registration No.: 118707W/W100724

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

Shubham Rohatgi
Partner
Membership No. 183083

Sarojkumar Mohapatra
Director
DIN: 09404900

Nirav Bhatt
Director
DIN: 09404518

Piyush Gandhi
Chief Financial Officer

Place: Ahmedabad
Date: May 18, 2023

Place: Ahmedabad
Date: May 18, 2023

Karnavati Aviation Private Limited
CIN : U63090GJ2007PTC051309
Statement of Cash Flows for the year ended March 31, 2023

₹ in Lacs

	Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
A.	**Cash flow from operating activities**			
	Profit before tax as per statement of profit and loss		871.61	1,718.00
	Adjustments for:			
	Depreciation and amortization		5,090.93	1,824.56
	Finance Cost		1,481.92	55.44
	Unrealised foreign exchange loss		3,198.13	-
	Profit / (Loss) on sale / discard of Property, Plant and Equipment (net)		(3.68)	1.55
	Unclaimed liabilities / excess provision written back		(1.68)	-
	Allowance for Credit Loss		-	(5.45)
	Operating profit before working capital changes		**10,637.23**	**3,594.10**
	Adjustment for :			
	(Increase)/Decrease in trade receivables		(5,421.32)	488.22
	(Increase) in inventories		(190.16)	(62.58)
	(Increase)/Decrease in financial assets		(612.61)	(7.19)
	(Increase) in other assets		(11,914.12)	(1,134.35)
	Increase/(Decrease) in trade payables		346.22	(59.09)
	Increase/(Decrease) in other liabilities		(43.01)	(29.36)
	Increase in provisions		70.48	15.66
	Increase/(Decrease) in financial liabilities		5.52	(7.51)
	Cash generated from operations		**(7,121.77)**	**2,797.90**
	Direct taxes refund (net)		(231.23)	32.32
	Net cash inflow from from operating activities	**(A)**	**(7,353.00)**	**2,830.22**
	Cash flows from investing activities			
	Purchase of property, plant and equipment		(12.77)	(70.10)
	Proceed from Sale of property, plant and equipment		4.52	-
	Net cash inflow (used in) investing activities	**(B)**	**(8.25)**	**(70.10)**
	Cash flows from financing activities			
	Repayment of Non current borrowings		-	(1,618.00)
	Proceed from current borrowings		14,492.25	-
	Repayment of current borrowings		(14,863.50)	(1,088.61)
	Proceed from Perpetual Debts		11,500.00	-
	Repayment of Lease Liabilities		(2,212.09)	-
	Finance Cost paid		(1,481.92)	(58.29)
	Net cash inflow (used in) financing activities	**(C)**	**7,434.74**	**(2,764.90)**
	Net (decrease) in cash & cash equivalents	**(A + B + C)**	73.49	(4.78)
	Cash and cash equivalents at the beginning of the year		15.28	20.06
	Cash and cash equivalents at the end of the year (Refer note-8)		**88.77**	**15.28**
	Component of cash and cash equivalents			
	Cash on hand		-	-
	Balances with scheduled bank			
	- In Current Accounts		88.77	15.28
	Total cash and cash equivalents		**88.77**	**15.28**

Note:

Summary of significant accounting policies - 2.3

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 - 27

The accompanying note are an integral part of the financial statements

As per our report of even date

For SHAH DHANDHARIA & CO LLP
Chartered Accountants
Firm's Registration No.: 118707W/W100724

Shubham Rohatgi
Partner
Membership No. 183083

Place: Ahmedabad
Date: May 18, 2023

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

Sarojkumar Mohapatra
Director
DIN: 09404900

Nirav Bhatt
Director
DIN: 09404518

Piyush Gandhi
Chief Financial Officer

Place: Ahmedabad
Date: May 18, 2023

Karnavati Aviation Private Limited
CIN : U63090GJ2007PTC051309
Statement of Changes in Equity for the year ended March 31, 2023

₹ in Lacs

Particulars	Equity Share Capital	Other Equity		Perpetual Debt	Total
		Equity Component of Borrowing	Reserves and Surplus		
			Retained Earning		
Balance as on April 01, 2021	4,500.00	1,793.52	(6,849.65)	18,500.00	17,943.87
Profit for the year	-	-	1,718.00	-	1,718.00
Proceeds from / (Repayment of) Perpetual Debt	-	-	-	-	-
Other Comprehensive Income					
Re-measurement gains/(loss) on defined benefit plans (net of tax)	-	-	(6.59)	-	(6.59)
Total Comprehensive Income for the year	-	-	1,711.41	-	1,711.41
Balance as at March 31, 2022	**4,500.00**	**1,793.52**	**(5,138.24)**	**18,500.00**	**19,655.28**
Profit for the year	-	-	871.61	-	871.61
Proceeds from / (Repayment of) Perpetual Debt	-	-	-	11,500.00	11,500.00
Other Comprehensive Income/(Loss)					
Re-measurement gains/(loss) on defined benefit plans (net of tax)	-	-	(19.86)	-	(19.86)
Total Comprehensive Income for the year	-	-	851.75	11,500.00	12,351.75
Balance as at March 31, 2023	**4,500.00**	**1,793.52**	**(4,286.49)**	**30,000.00**	**32,007.03**

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

For SHAH DHANDHARIA & CO LLP
Chartered Accountants
Firm's Registration No.: 118707W/W100724

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

Shubham Rohatgi
Partner
Membership No. 183083

Sarojkumar Mohapatra
Director
DIN: 09404900

Nirav Bhatt
Director
DIN: 09404518

Piyush Gandhi
Chief Financial Officer

Place: Ahmedabad
Date: May 18, 2023

Place: Ahmedabad
Date: May 18, 2023

1 Corporate information

Karnavati Aviation Private Limited ('KAPL', 'the Company'), is a private company domiciled in India having CIN: U63090GJ2007PTC051309 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. The registered address of the compnay is Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar Ahmedabad Ahmedabad GJ 382421 IN

Statement Of Compliance

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, as amended.

2.1 Basis of preparation

The Financial Statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

-Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

In addition, the financial statements are presented in ₹ in Lacs and all values are rounded off to two decimal, except when otherwise indicated.

The financial statements are presented in INR (₹) (Indian Rupees) which is also Company's functional currency and all values are rounded to the nearest Lakhs, except when otherwise indicated.

Current & Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. The asset/liability is expected to be realised / settled in the Company's normal operating cycle;

ii. The asset is intended for sale or consumption;

iii. The asset/liability is held primarily for the purpose of trading;

iv. The asset/liability is expected to be realised/settled within twelve months after the reporting period;

v. The asset is Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;

vi. In case of liability, the Company does not have unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

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

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and time between acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

2.2 Use of Estimates and Judgments

The preparation of financial statements in conformity with Ind AS requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised. Estimates and underlying assumptions are reviewed on an ongoing basis.

Key sources of estimation uncertainity

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. Existing circumstances and assumptions about future developments 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.

i) Useful life and residual value of property, plant and equipments and intangible assets:

Determination of the estimated useful life of property, plant and equipment and intangible assets and the assessment as to which components of the cost may be capitalised. Useful life of these assets is based on the life prescribed in Schedule II to the Companies Act, 2013 or based on technical estimates, taking into account the nature of the asset, estimated usage, expected residual values and operating conditions of the asset. Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

ii) Taxes:

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Significant management judgement is also 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, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961.

iii) 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 judgment is required in establishing fair values. Judgments include considerations 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.

iv) Recognition and measurement of Contingent liabilities, provisions and uncertain tax positions:

There are various legal, direct and indirect tax matters and other obligations including local and state levies, availing input tax credits etc., which may impact the Company. Evaluation of uncertain liabilities and contingent liabilities arising out of above matters and recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

v) Defined benefit plans (Gratuity benefits):

The cost of the defined benefit gratuity plan 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.

vi) Recoverability of advances/ receivables:

At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

vii) Impairment of Non Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit 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.

viii) Impairment of Financial Assets

The impairment provisions for trade receivables are made considering simplified approach based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the company's past history and other factors at the end of each reporting period. In case of other financial assets, the Company applies general approach for recognition of impairment losses wherein the Company uses judgement in considering the probability of default upon initial recognition and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

2.3 Summary of significant accounting policies

a) 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.
- Costs incurred that relate to future contract activities are recognised as "Project Work in Progress".
- Project work in progress comprise specific contract costs and other directly attributable overheads including borrowing costs which can be allocated on specific contract cost is, valued at lower of cost and net realisable value
- Net Realizable Value in respect of store and spares is the estimated current procurement price in the ordinary course of the business.

b) 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.

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

Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

ii. Subsequent measurement

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant and Equipments, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the profit and loss for the period during which such expenses are incurred.

Expenditure incurred during the period of construction including, all direct and indirect overheads, incidental and related to construction is carried forward and on completion, the costs are allocated to the respective assets.

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.

d) 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.

e) Revenue Recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Rendering of services

Income from services is reognised based on the terms of agreements as and when the services are rendered and are net of taxes.

Interest income

For all financial assets measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Contract Balances

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional and is disclosed as "Unbilled Revenue" under Other Current Financial Assets.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract Liability

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs obligations under the contract. The same is disclosed as "Advance from Customers" under Other Current Liabilities.

f) 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 settlement or translation of monetary items are recognised in Statement of Profit and Loss with the exception of those related to acquisition of a PPE which are capitalised and depreciated over the remaining useful life of the related asset.

g) 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.

h) 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 non-current investments. Non-current 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.

i) 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.

j) 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.

k) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments are expensed on a straight-line basis over the lease term.

Right of Use Assets:

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lessor transfers ownership of the underlying asset to the lessee by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease Liability

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Here, the Company uses its Parents Company's foreign currency denominated bond rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

l) 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.

m) 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.

n) 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.

o) 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.

p) Expenditure

Expenditures are accounted net of taxes recoverable, wherever applicable.

q) 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.

r) 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

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price.

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 116

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.

s) 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.

t) 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.

u) New Standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended March 31, 2022, except for amendments to the existing Indian Accounting Standards (Ind AS). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Company applies, for the accounting periods beginning on or after 1 April 2022, that do not have material impact on the financial statements of the Company.

1. Accounting for proceeds before intended use (Ind AS 16, Property, Plant and Equipment)

The excess of net sale proceeds of items produced over the cost of testing, if any, should not be recognised in the statement of profit or loss but deducted from the directly attributable costs considered as part of cost of an item of Property, Plant and Equipment.

2. 'Determining costs to fulfil a contract (Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets)

The 2022 amendments clarify the types of costs a company can include as the 'costs of fulfilling a contract' while assessing whether a contract is onerous as under:

• The incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

3. 'Reference to the Conceptual Framework for Financial Reporting (Ind AS 103, Business Combinations)

The 2022 amendments have substituted the reference to the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards with the reference to the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework), without changing the accounting requirements for business combinations.

4. Subsidiary as a first-time adopter of Ind AS (Ind AS 101, First-time Adoption of Indian Accounting Standards)

If a subsidiary, joint venture of associate (together termed as subsidiary) adopts Ind AS later than its parent and applies paragraph D16(a) of Ind AS 101, then the subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transitions to Ind AS.

5. Fees in the '10 per cent test' for derecognition of financial liabilities (Ind AS 109, Financial Instruments)

For the purpose of performing the '10 per cent test' for derecognition of financial liabilities, in determining fees paid, the borrower includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

6. Taxation in fair value measurements (Ind AS 41, Agriculture)

The amendment removes the requirement to exclude cash flows for taxation when measuring fair value and thereby aligns the fair value measurement requirements in Ind AS 41 with those in Ind AS 113, Fair Value Measurement.

Note 3(a) - Property, plant and equipment

₹ in Lacs

Particulars	Tangible assets						
	Computer Hardware	Office Equipments	Plant & Machinery	Furniture & Fixtures	Vehicles	Aircraft	Total
Cost							
As at April 01, 2021	**18.43**	**7.90**	**-**	**2.05**	**8.73**	**30,610.03**	**30,647.14**
Additions	8.74	0.21	0.17	-	49.66	-	58.78
Deductions/Adjustment	(7.26)	(1.99)	-	(0.19)	-	(0.37)	(9.81)
Exchange difference	-	-	-	-	-	11.32	11.32
As at March 31, 2022	**19.91**	**6.12**	**0.17**	**1.86**	**58.39**	**30,620.98**	**30,707.43**
Additions	10.61	1.46	0.70	-	-	-	12.77
Deductions/Adjustment	-	-		-	(8.73)	-	(8.73)
Exchange difference	-	-		-	-	(6.72)	(6.72)
As at March 31, 2023	**30.52**	**7.58**	**0.87**	**1.86**	**49.66**	**30,614.26**	**30,704.75**
Depreciation/amortisation							
As at April 01, 2021	11.60	3.46	-	1.20	7.88	10,596.64	**10,620.78**
Depreciation for the year	5.14	1.14	0.01	0.10	4.09	1,814.09	1,824.57
Deductions/(Adjustment)	(6.67)	(1.52)		0.16		(0.23)	**(8.26)**
As at March 31, 2022	**10.07**	**3.08**	**0.01**	**1.46**	**11.97**	**12,410.50**	**12,437.09**
Depreciation for the year	6.74	1.24	0.04	0.10	6.21	1,813.44	1,827.77
Deductions/(Adjustment)	0.31	-	-	(0.31)	(7.88)		(7.88)
As at March 31, 2023	**17.12**	**4.32**	**0.05**	**1.25**	**10.30**	**14,223.94**	**14,256.98**
Net Block							
As at March 31, 2022	9.84	3.04	0.16	0.40	46.42	18,210.48	18,270.34
As at March 31, 2023	**13.40**	**3.26**	**0.82**	**0.61**	**39.36**	**16,390.32**	**16,447.77**

Note 3(b) Right-of-use assets ₹ in Lacs

Particulars	Aircraft Total
Cost	
As at April 01, 2021	-
Addition during the year	-
As at March 31, 2022	**-**
Addition during the year	39,157.90
Deductions/Adjustment	-
As at March 31, 2023	**39,157.90**
Accumulated Depreciation	
As at April 01, 2021	-
Depreciation for the year	-
As at March 31, 2022	**-**
Depreciation for the year	3,263.16
Deductions/Adjustment	-
As at March 31, 2023	**35,894.74**

Note :
During the year, The Company has entered into an Aircraft lease agreement with Astraeus Services IFSC Limited for the period of 12 years. (Refer Note 32)

4 Other Financial assets

	Non-current portion		Current portion	
	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Security and other deposits	528.55	133.22	-	-
Loans and advances to employees	-	-	1.60	15.78
	528.55	**133.22**	**1.60**	**15.78**

5 Other Assets
(Unsecured, considered good unless otherwise Stated)
Non - Current

		March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Capital Advances		11,444.81	1,011.96
	(A)	**11,444.81**	**1,011.96**
Others			
Deposited against Demand in dispute		35.00	35.00
	(B)	**35.00**	**35.00**
	(A+B)	**11,479.81**	**1,046.96**

Current

		March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Advances recoverable other than in cash			
Unsecured, considered good		140.41	105.69
Unsecured, considered doubtful		57.00	57.00
		197.41	162.69
Unsecured, considered doubtful		(57.00)	(57.00)
	(A)	**140.41**	**105.69**
Others			
Prepaid Expenses		202.72	132.66
Balance wih Govt. Authorities (GST)		502.94	138.41
	(B)	**705.66**	**271.07**
	(A + B)	**846.07**	**376.76**

6 Inventories

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Stores and spares	472.15	281.99
	472.15	**281.99**

7 Trade Receivables
(unsecured, unless otherwise stated)

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
- Unsecured, considered good (refer note - 32 for related parties)	9,528.88	4,107.56
- Credit impaired	306.63	306.63
	9,835.51	**4,414.19**
Less: Allowances for expected credit losses	(306.63)	(306.63)
	9,528.88	**4,107.56**

Trade receivable ageing as on March 31, 2023 is as below ₹ in Lacs

Sr No	Particulars	Unbilled	No Due	Outstanding for following periods from due date of payment					Total
				Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 years	
1	Undisputed Trade	-	3,104.67	4141.91	1402.03	353.38	318.58	514.94	9,835.51
2	Provision for Credit Impaired							(306.63)	(306.63)
	Total	**-**	**3,104.67**	**4,141.91**	**1,402.03**	**353.38**	**318.58**	**208.31**	**9,528.88**

Trade receivable ageing as on March 31, 2022 is as below ₹ in Lacs

Sr No	Particulars	Unbilled	No Due	Outstanding for following periods from due date of payment					Total
				Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 years	
1	Undisputed Trade	-	2860.93	474.29	176.41	328.97	179.32	394.27	4,414.19
2	Provision for Credit Impaired							(306.63)	(306.63)
	Total	**-**	**2,860.93**	**474.29**	**176.41**	**328.97**	**179.32**	**87.64**	**4,107.56**

Note :
Due date is computed considering the credit period as per the terms of the agreement wherever specified, else the same is computed from the invoice date.

8 Cash and cash equivalents

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Balances with banks:		
Balance in current account	88.77	15.28
	88.77	**15.28**

9 Share capital

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Authorised		
4,50,00,000 Equity Shares of ₹10 each (4,50,00,000 Equity Shares of ₹10 each as at March 31, 2022)	4,500.00	4,500.00
	4,500.00	**4,500.00**
Issued, subscribed and fully paid up shares		
4,50,00,000 Equity Shares of ₹10 each (4,50,00,000 Equity Shares of ₹10 each as at March 31, 2022)	4,500.00	4,500.00
	4,500.00	**4,500.00**

Notes:

(a) Reconciliation of the number of the shares outstanding at the beginning and end of the year:

	March 31, 2023		March 31, 2022	
	Number	₹ in Lacs	Number	₹ in Lacs
At the beginning of the year	4,50,00,000	4,500.00	4,50,00,000	4,500.00
Changes during the year	-	-	-	-
At the end of the year	**4,50,00,000**	**4,500.00**	**4,50,00,000**	**4,500.00**

(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, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
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 Equity Shares of ₹10 each as at March 31, 2022)	4,500	4,500

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

Equity shares of ₹ 10 each fully paid	March 31, 2023		March 31, 2022	
	Number	% Holding	Number	% Holding
Adani Ports and Special Economic Zone Limited, the parent company and its nominee	4,50,00,000	100.00%	4,50,00,000	100.00%

(e) Details of Equity Shares held by promoters at the end of the year

Sr No	Promotor Name	No of shares at the begining of the year	No of Shares at the end of the year	% of Total Shares	% Change during the year
1	Adani Ports and Special Economic Zone Limited, the parent company and its nominee	4,50,00,000	4,50,00,000	100.00%	-
	Total	**4,50,00,000**	**4,50,00,000**	**100.00%**	-

10 Instruments entirely equity in nature

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Unsecured Pepetual Debt		
- At the beginnig of the year	18,500.00	18,500.00
- Issued/(Redeemed) during the year	11,500.00	-
- At the end of the year	**30,000.00**	**18,500.00**

Note :

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 7.50 % 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 Other Equity

		March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
(i) Equity Component of Borrowing			
- Opening balance		1,793.52	1,793.52
- Addition / (Reduction) during the year		-	-
- Closing Balance	**(A)**	**1,793.52**	**1,793.52**
(ii) Retained Earnings			
- Opening balance		(5,138.24)	(6,849.65)
- Profit for the year		871.61	1,718.00
- Other Comprehensive Income		(19.86)	(6.59)
	(B)	**(4,286.49)**	**(5,138.24)**
	(A+B)	**(2,492.97)**	**(3,344.72)**

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.

12 Lease Liabilities

	Non-current portion		Current portion	
	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Lease Liabilities	36,520.94	-	2,385.07	-
	36,520.94	**-**	**2,385.07**	**-**

(a) Future minimum lease payments under leases together with the present value of the net minimum lease payments are as follows:

₹ in Lacs

Particulars	Within one year	After one year but not later than five years	More than five years	Total minimum lease payments	Less: Amounts representing finance charges	Present value of minimum lease payments
March 31, 2023						
Minimum Lease Payments	3,867.16	16,459.89	27,948.47	48,275.52	(9,369.51)	**38,906.01**
Finance charge allocated to future periods	1,482.09	3,818.06	4,069.36			
Present Value of MLP	2,385.07	12,641.82	23,879.12	38,906.01		
March 31, 2022						
Minimum Lease Payments	-	-	-	-	-	-
Finance charge allocated to future periods	-	-	-	-	-	-
Present Value of MLP	-	-	-	-	-	-

(b) The movement in Lease liabilities during the period ended **₹ in Lacs**

Particular	Aircraft	
	March 31, 2023	March 31, 2022
Opening Balance	-	-
Additions during the year	37,914.52	-
Terminated during the year	-	-
Exchange difference	3,203.58	-
Finance costs incurred during the year	1,451.61	-
Payments of Lease Liabilities	(3,663.70)	-
Closing Balance	**38,906.01**	**-**

(c) Amount Recognised in Profit & Loss Account during the year

Particular	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Depreciation expense of right-of-use assets	3,263.16	-
Interest on Finance Lease	1,451.61	-
Exchange difference	3,203.58	-
	7,918.35	**-**

(d) Amounts recognized in statement of cash flows

Particular	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Cash Flow From Investing Activities		
Payment of Lease Liabilities (including interest paid)	(3,663.70)	-
	(3,663.70)	**-**

(e) The lease payments associated with these leases are recognized as an expense on a straight line basis over the lease term. The borrowing rate applied to lease liabilities is 4.00%.

13 Provisions

	Non-current portion		Current portion	
Non-current	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Provision for gratuity (refer note 33)	100.39	51.72	-	-
Provision for compensated absences	74.51	53.71	59.48	38.61
	174.90	**105.43**	**59.48**	**38.61**

Note :
Bifurcation of provision for compensated absences & gratuity into current and non-current is based on Independent Acturial valuation.

14 Borrowings

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Current Borrowings		
Inter Corporate Deposit (refer note below)	3,308.46	3,679.70
	3,308.46	**3,679.70**
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	3,308.46	3,679.70
	3,308.46	**3,679.70**

Note :
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.

15 Trade Payables

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Total outstanding dues of micro enterprises and small enterprises (refer note -28)	95.66	1.25
Total outstanding dues of creditors other than micro enterprises and small enterprises	941.34	703.44
	1,037.00	**704.69**

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.

Trade payable ageing as on March 31, 2023 is as below ₹ in Lacs

Sr No	Particulars	Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME	95.66	-	-	-	-	95.66
2	Others	679.10	260.75	0.36	1.13	-	941.34
	Total	**774.76**	**260.75**	**0.36**	**1.13**	**-**	**1,037.00**

Trade payable ageing as on March 31, 2022 is as below ₹ in Lacs

Sr No	Particulars	Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME	1.25					1.25
2	Others	361.37	342.07	-		-	703.44
	Total	**362.62**	**342.07**	**-**	**-**	**-**	**704.69**

Note :
Due date is computed considering the credit period as per the terms of the agreement wherever specified, else the same is computed from the invoice date.

16 Other financial liabilities

	Non-current portion		Current portion	
	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Capital creditors, retention money and other payable	-	-	6.27	0.75
	-	**-**	**6.27**	**0.75**

17 Other Liabilities

	Current portion	
	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Statutory liabilities	115.36	159.78
Advance from customers	1.41	-
	116.77	**159.78**

18 Revenue from Operations

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Revenue from Contract with Customers		
Income from Aircraft Operations	19,265.63	7,959.74
	19,265.63	**7,959.74**

(a) Reconciliation of revenue recognised with contract price:

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Revenue as per contracted price	19,265.63	7,959.74
Adjustments:		
Discounts	-	-
Revenue from Contract with Customers	**19,265.63**	**7,959.74**

19 Other Income

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Interest Income on		
Income Tax Refund	3.51	5.47
Others	15.31	-
Profit on sale / discard of Property, Plant and Equipment (net)	3.68	-
Unclaimed liabilities / excess provision written back	1.68	9.40
Insurance Claims income	-	1.87
	24.18	**16.74**

20 Operating Expenses

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Aircraft Operating Expenses		
Aircraft fuel	2,024.84	685.62
Airport charges	1,052.98	363.21
Aircraft hiring charges	504.82	391.43
Aircraft running & operating expenses	401.47	146.86
Pilot hiring charges	52.10	3.59
	4,036.21	**1,590.71**

21 Employee benefit expense

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Salaries and wages	1,087.59	753.00
Contribution to provident and other funds	51.56	38.71
Gratuity (refer note 33)	22.02	15.75
Staff welfare expenses	22.85	17.44
	1,184.02	**824.90**

22 Finance Costs

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Interest Expenses:		
Interest on foreign currency borrowings	-	9.33
Interest on Lease Liability	1,451.61	-
Others	0.33	2.27
Other Borrowing Cost:		
Bank and other finance charges	29.98	43.84
	1,481.92	**55.44**

23 Other Expenses

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Legal & Professional expenses	247.12	85.25
Insurance expenses	279.78	171.58
Rent expenses	48.07	13.03
Rates and Taxes - Permission & License Fees	24.45	12.14
Travelling and Conveyance	230.76	115.19
Stores & Spares consumed	531.91	448.72
Repair & Maintenance expenses		
i) Aircraft	1,939.49	1,072.61
ii) Others	6.67	8.86
Security expenses	11.58	20.21
Communication Expenses	5.63	7.79
Printing and Stationery Expenses	4.86	3.26
Electricity expenses	1.66	2.18
Office expenses	22.63	1.18
Miscellaneous expenses	8.36	3.77
Allowance for Credit Loss	-	(5.45)
Payment to auditors (refer note (a) below)	1.44	1.00
Charity & Donations (refer Note (b) below)	9.33	-
Loss on sale of fixed assets (net)	-	1.55
	3,373.74	**1,962.87**

(a) Payment to Auditor

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
As auditor:		
Audit fees	1.25	1.00
Certification & Others	0.19	-
	1.44	**1.00**

(b) Details of CSR Expenses

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Gross amount required to be spent by the Company during the year	9.33	-

Particulars	In cash (` in Lacs)	Yet to be paid in cash	Total (` in Lacs)
Amount spent during the year ended March 31, 2023			
(i) Construction/acquisition of any Asset	-	-	-
(ii) On Purpose other than (i) above	9.33	-	9.33
Amount spent during the year ended March 31, 2022			
(i) Construction/acquisition of any Asset	-	-	-
(ii) On Purpose other than (i) above	-	-	-

(c) Below are nature of CSR activities

Nature	For the year ended March 31, 2023	For the year ended March 31, 2022
Preventive and Community health	9.33	-

(d) Detail of related party Transactions

Nature	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution / Donation to related party (refer note 32)	9.33	-

24 Deferred Tax Assets (net)

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Tax effect of items constituting deferred tax liabilities :		
Property, Plant & Equipment	3,906.28	4,217.13
Total	**3,906.28**	**4,217.13**
Tax effect of items constituting deferred tax assets :		
(i) Unabsorbed depreciation	3,079.14	4,174.43
(ii) Unpaid leave encashment	33.72	23.23
(iii) Unpaid Gratuity	25.27	13.02
(iv) Unpaid Bonus	8.59	6.45
(v) Lease	759.56	-
Total	**3,906.28**	**4,217.13**
Net Deferred Tax Assets to recognised	-	-

Note :
The Company has recognised the deferred tax assets on unabsorbed depreciation only to the extent of deferred tax liability and hence as per IndAS 12, net deferred tax assets as on March 31, 2023 is ₹ 630.06 lacs (March 31, 2022 ₹ 849.06 lacs) has not been recognised on prudent basis.

(a) The income tax expense for the year can be reconciled to the accounting profit as follows:

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Profit / (loss) before taxes	**851.75**	**1,718.00**
Income tax expense calculated at 25.168%	214.36	432.39
Unrecognised tax impact of OCI (income) / expenses	5.00	(1.66)
Permanent Differences	(3.85)	(110.21)
Effect of b/f unabsorbed depreciation utilised	(215.51)	(320.52)
Income tax expense recognised in profit or loss	-	-

(b) Movement in deferred tax assets/liabilities for the year ended March 31, 2023 ₹ in Lacs

Particulars	Opening Balance as at 1st April, 2022	Recognised in profit and Loss	Recognised in other comprehensive income	Closing balance as at 31st March, 2023
Tax effect of items constituting deferred tax liabilities :				
Property, Plant & Equipment	4,217.13	(310.85)	-	3,906.28
Total	**4,217.13**	**(310.85)**	**-**	**3,906.28**
Tax effect of items constituting deferred tax assets :				
(i) Unabsorbed depreciation	4,174.43	1,095.29	-	3,079.14
(ii) Unpaid leave encashment	23.23	(10.49)	-	33.72
(iii) Unpaid Gratuity	13.02	(12.25)	-	25.27
(iv) Unpaid Bonus	6.45	(2.14)	-	8.59
(v) Lease	-	(759.57)	-	759.56
Total	**4,217.13**	**310.85**	**-**	**3,906.28**
	-	-	-	-

Note :
Deferred tax asset is recognised to the extent, the same can be adjusted against deferred tax liability. Hence, there is nil impact in P & L statement.

(b) Movement in deferred tax assets/liabilities for the year ended March 31, 2022 ₹ in Lacs

Particulars	Opening Balance as at 1st April, 2021	Recognised in profit and Loss	Recognised in other comprehensive income	Closing balance as at 31st March, 2022
Tax effect of items constituting deferred tax liabilities :				
Property, Plant & Equipment	4,456.88	(239.75)	-	4,217.13
Total	**4,456.88**	**(239.75)**	**-**	**4,217.13**
Tax effect of items constituting deferred tax assets :				
(i) Unabsorbed depreciation	4,420.67	246.24	-	4,174.43
(ii) Unpaid leave encashment	19.98	(3.25)	-	23.23
(iii) Unpaid Gratuity	10.67	(2.35)	-	13.02
(iv) Unpaid Bonus	5.56	(0.89)	-	6.45
(v) Lease	-	-	-	-
Total	**4,456.88**	**239.75**	**-**	**4,217.13**
	-	-	-	-

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

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :		
Unused tax losses	-	-
Unabsorbed depreciation	2,503.45	3,373.56
	2,503.45	**3,373.56**

25 Earnings per share

	UOM	As at 31st March, 2023	As at 31st March, 2022
Profit attributable to equity shareholders of the company	₹ in Lacs	871.61	1,718.00
Weighted average number of equity shares outstanding during the year	Nos.	4,50,00,000	4,50,00,000
Face Value of Equity Share	₹	10	10
Basic and Diluted earning per share (in ₹) (face value of equity shares ₹ 10 each)	₹	1.94	3.82

26 Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management

(a) Financial Assets and Liabilities

The Company's principal financial assets include trade receivables, cash and cash equivalents and other receivables. The Company's principal financial liabilities other than derivatives comprise of borrowings, provisions, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and projects.

(b) Fair Value Hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level-1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level-2 Inputs are other than quoted prices included within Level-1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level-3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on the assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(c) Disclosure of fair value measurement and fair value hierarchy for financial assets and liabilities

The following tables summarises carrying amounts of financial instruments by their categories and their levels in fair value hierarchy for each year end presented.

i) The carrying value of financial instruments by categories as of March 31, 2023 is as follows : ₹ in Lacs

Particulars	Note	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Amortised Cost	Total
Financial Assets					
Trade receivables	7	-	-	9,528.88	9,528.88
Cash and cash equivalents	8	-	-	88.77	88.77
Others financial assets	4	-	-	530.15	530.15
Total		**-**	**-**	**10,147.80**	**10,147.80**
Financial Liabilities					
Lease Laibilities	12	-	-	38,906.01	38,906.01
Borrowings	14	-	-	3,308.46	3,308.46
Trade payables	15	-	-	1,037.00	1,037.00
Other financial liabilities	16	-	-	6.27	6.27
Total		**-**	**-**	**43,257.74**	**43,257.74**

ii) The carrying value of financial instruments by categories as of March 31, 2022 is as follows : ₹ in Lacs

Particulars	Note	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Amortised Cost	Total
Financial Assets					
Trade receivables	7	-	-	4,107.56	4,107.56
Cash and cash equivalents	8	-	-	15.28	15.28
Others financial assets	4	-	-	149.00	149.00
Total		**-**	**-**	**4,271.84**	**4,271.84**
Financial Liabilities					
Lease Laibilities	12	-	-	-	-
Borrowings	14	-	-	3,679.70	3,679.70
Trade payables	15	-	-	704.69	704.69
Other financial liabilities	16	-	-	0.75	0.75
Total		**-**	**-**	**4,385.14**	**4,385.14**

(d) Financial Instruments and Financial Risk Review

The company's Financial Risk management is an integral part of how to plan and execute its business strategies. The Company's risk management activities are subject to the management direction and control under the framework of Risk Management Policy as approved by the Board of Directors of the Company. The Management ensures appropriate risk governance framework for the Company through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

In the ordinary course of business, the Company is mainly exposed to risks resulting from interest rate movements (Interest rate risk) ,Commodity price changes (Commodity risk) and exchange rate fluctuation (Currency risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. The Company's senior management oversees the management of these risks.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

a) Foreign currency risk

Exchange rate movements, 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.

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

₹ in Lacs

Sr. No.	Particulars	Impact on profit before tax for the year ended March 31, 2023	Impact on profit before tax for the year ended March 31, 2022
1	**USD / EUR Sensitivity**		
	INR / USD – by 1%	14.16	5.59
	INR / EUR - by 1%	26.77	0.01
	INR / SGD - by 1%	0.01	0.01

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

Nature	Foreign Currency	March 31, 2023 Amount Amt in ₹ (In Lacs)	March 31, 2023 Foreign Currency (In Lacs)	March 31, 2022 Amount Amt in ₹ (In Lacs)	March 31, 2022 Foreign Currency (In Lacs)
Security Deposit	USD	628.81	7.65	-	-
Trade payables	USD	787.23	9.58	559.50	7.38
Trade payables	EUR	2,677.30	29.93	1.32	0.02
Trade payables	SGD	1.35	0.02	-	-
Total		**4,094.68**		**560.82**	

Closing Rate as at March 31, 2023		Closing Rate as at March 31, 2022	
INR / USD	82.1700	INR / USD	75.7925
INR / EUR	89.4425	INR / EUR	84.2200
INR / SGD	61.7925		

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to changes in interest rates due to its financing, investing and cash management activities.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 interest rate risk. 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 mitigated in accordance with the Group's policies and risk objectives. The compnay doesnt have any variable rate of borrowings during the year. Hence the company is not bearing any interest rate risk on its borrowings.

c) Price risk

The Company do not have any price risk.

ii) Credit risk

Credit risk refers to the risk that a counterparty or customer will default on its contractual obligations resulting in a loss to the Company. Financial instruments that are subject to credit risk principally consist of Trade and Other Receivables, Cash & Cash Equivalents and Other Financial Assets. The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of counter parties on continuous basis with appropriate approval mechanism for sanction of credit limits.

Other Financial Assets

Credit risk from balances with banks, is managed by the Company's treasury team in accordance with the Company's risk management policy. Cash and cash equivalents and Bank deposits are placed with banks having good reputation, good past track record and high quality credit rating.

Trade Receivables

Credit risk on receivables is limited as the services are provided majorly to the companies within the group. Considering the given nature, company is not exposed to any external credit risk.

Movement in expected credit loss allowance on trade receivables

₹ in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance of Credit Losses	306.63	312.08
Changes during the year	-	(5.45)
Closing Balance of Credit Losses	306.63	306.63

iii) Liquidity risk

Liquidity risk refers the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. 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 various types of borrowings and continuous support from holding company.

i) Maturity profile of financial liabilities:

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

As at March 31, 2023	Note	Less than 1 year	1 to 5 years	Over 5 years	Total
Lease Liabilities#	12	3,867.16	16,459.89	27,948.47	48,275.52
Borrowings (incl. current maturities)	14	3,308.46	-	-	3,308.46
Trade payables	15	1,037.00	-	-	1,037.00
Other financial liabilities	16	6.27	-	-	6.27
Total		**8,218.89**	**16,459.89**	**27,948.47**	**52,627.25**

As at March 31, 2022	Note	Less than 1 year	1 to 5 years	Over 5 years	Total
Lease Liabilities#	12	-	-	-	-
Borrowings (incl. current maturities)	14	3,679.70	-	-	3,679.70
Trade payables	15	704.69	-	-	704.69
Other financial liabilities	16	0.75	-	-	0.75
Total		**4,385.14**	**-**	**-**	**4,385.14**

#Carrying value of Lease liabilities is ₹ 38,906.01 Lacs (as at 31st March, 2022 ₹ Nil)

(e) Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.The capital structure of the Company is based on management's judgment of its strategic and day-to-day needs with a focus on total equity so as to maintain creditors and market confidence.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

Particulars	March 31, 2023	March 31, 2022
Net debt (total debt less cash and cash equivalents)	3,219.69	3,664.42
Total capital	32,007.03	19,655.28
Total capital and net debt	35,226.72	23,319.70
Gearing ratio (%)	9.14%	15.71%

Management monitors the return on capital, as well as the level of dividends to equity shareholders. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings availed if any.

The company does not have any external borrowings. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2023 and 31st March, 2022.

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

₹ in Lacs

Particulars of Liabilities arising from Financing activity	Note	As at April 1, 2022	Net Cash flows	Non Cash Changes: Effect due to changes in foreign exchange rates	Non Cash Changes: Addition of Lease Obligation	As at March 31, 2023
Lease Liabilities	12	-	(2,212.09)	3,203.58	37,914.52	38,906.01
Foreign currency term loans (secured)	14	-	-	-	-	-
Inter Corporate Deposits	14	3,679.71	(371.25)	-	-	3,308.46
Total		**3,679.71**	**(2,583.34)**	**3,203.58**	**37,914.52**	**42,214.47**

Particulars of Liabilities arising from Financing activity	Note	As at April 1, 2021	Net Cash flows	Non Cash Changes: Effect due to changes in foreign exchange rates	Non Cash Changes: Addition of Lease Obligation	As at March 31, 2022
Lease Liabilities	12	-	-	-	-	-
Foreign currency term loans (secured)	14	1,618.00	(1,618.00)	-	-	-
Inter Corporate Deposits	14	4,768.32	(1,088.61)	-	-	3,679.71
Total		**6,386.32**	**(2,706.61)**	**-**	**-**	**3,679.71**

28 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, 2023:

₹ in Lacs

Sr No	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	95.66	1.25
	Interest	-	-
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	-	-
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.	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
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.	-	-

Note :

There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors

29 Contingent liabilities not provided for

₹ in Lacs

Sr No	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	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 ₹ 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.	2,934.31	2,934.31
2	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-600 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.	3,665.63	3,665.63
3	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.	371.31	371.31
4	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.	2,680.00	2,680.00
5	The Hon'ble Supreme Court (SC) has passed a judgement dated 28th February 2019, relating to components of salary structure to be included while computing the contribution to provident fund under the Employees Provident Fund Act, 1952. The Company's Management is of the view that there is considerable uncertainty around the timing, manner and extent in which the judgment will be interpreted and applied by the regulatory authorities. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any. Currently, the Company has not considered any impact in these financial statements.	-	-

30 Capital & other commitments:

₹ in Lacs

Particulars	March 31, 2023	March 31, 2022
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	909.22	-

31 Segment information

The company is in the business of providing aviation services under the category of Non-Scheduled Operator. Considering the nature of the company's business and operation, as well as, based on review of operating results by chief operating decision maker there is only one reportable segment in accordance with the requirements of Ind-As 108 -" Operating Segments" Prescribed under companies (Indian accounting standard rules) 2015. Accordingly, the segment revenue, results, segment assets, segment and liabilities are all as is reflected in the financial statement themselves as at and for the financial year ended March 31, 2023.

32 Related Party Disclosure

The Management has identified the following entities and individuals as related parties of the Company for the year ended 31st March, 2023 for the purpose of reporting as per Ind AS 24 Related Party Disclosures which are as under:-

1	**Parent Company**	Adani Ports and Special Economic Zone Limited
2	**Entities over which major shareholders of parent company are able to exercise Significant Influence through voting power**	Adani Ahmedabad International Airport Limited Adani Airport Holdings Limited Adani Bunkering Private Limited (formerly known as Sarguja Rail Corridor Private Limited) Adani Cement Industries Limited Adani Cementation Limited Adani Electricity Mumbai Limited Adani Enterprises Limited Adani Estate Management Private Limited Adani Estates Private Limited Adani Foundation Adani Green Energy Limited Adani Logistics Limited Adani Lucknow International Airport Limited Adani Mangaluru International Airport Limited Adani Power Maharashtra Limited Adani Power Limited Adani Road Transport Limited Adani Tracks Management Services Private Limited Agnel Developers Alton Buildtech India Private Limited Astraeus Services IFSC Limited Bailadila Iron Ore Mining Private Limited Belvedere Golf And Country Club Private Limited Esteem Constructions Private Limited Gare Palma II Collieries Private Limited Gare Pelma III Collieries Limited Guwahati International Airport Limited Jaipur International Airport Limited Kurmitar Iron Ore Mining Private Limited Mahanadi Mines & Minerals Private Limited Mistry Construction Private Limited MP Natural Resources Private Limited Mumbai International Airport Limied Mundra Solar Energy Limited Mundra Solar Technology Limited Mundra Solar PV Limited Stratatech Mineral Resources Private Limited Talabira (Odisha) Mining Private Limited TRV (Kerala) International Airport Limited
3	**Key Management Personnel**	Mr. Satwinder singh Bhatti Capt. Nirav Bhatt Capt. Saroj Mohapatra Piyush Ghandhi - CFO (from 21.10.2022) Anish Shah - CFO (upto 21.10.2022) Anant Shukla (upto 31.05.2022)

Terms and conditions of transactions with related parties

Outstanding balances of related parties at the year-end are unsecured. There have been no guarantees received or given for any related party receivables or payables. Transactions entered into with related parties 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.

(A) Transactions with Related Party ₹ in Lacs

Sr No	Head	Relationship	Name of Related Party	Year Ended March 31, 2023	Year Ended March 31, 2022
1	Income from Rendering of Services	Parent Company	Adani Ports And Special Economic Zone Limited	10,700.00	4,999.83
		Other Entity*	Adani Bunkering Private Limited	804.00	816.00
			Adani Cement Industries Limited	4.77	2.15
			Adani Cementation Limited	9.55	-
			Adani Electricity Mumbai Limited	763.00	762.92
			Adani Enterprises Limited	719.65	187.01
			Adani Estate Management Private Limited	165.00	299.97
			Adani Estates Private Limited	37.50	-
			Adani Green Energy Limited	500.00	299.97
			Adani Power Maharashtra Limited	9.55	-
			Adani Road Transport Limited	2,500.00	-
			Agnel Developers	51.33	-
			Alton Buildtech India Private Limited	151.11	-
			Bailadila Iron Ore Mining Private Limited	-	24.17
			Esteem Constructions Private Limited	60.57	-
			Gare Palma II Collieries Private Limited	112.69	57.05
			Gare Pelma III Collieries Limited	23.87	12.09
			Kurmitar Iron Ore Mining Private Limited	28.65	14.50
			Mahanadi Mines & Minerals Private Limited	26.26	-
			Mistry Construction Private Limited	44.00	-
			MP Natural Resources Private Limited	14.32	-
			Mundra Solar Energy Limited	1,197.63	-
			Mundra Solar PV Limited	-	299.97
			Mundra Solar Technology Limited	1,000.00	-
			Adani Tracks Management Services Private Limited	124.15	38.68
			Stratatech Mineral Resources Private Limited	31.04	15.71
			Talabira (Odisha) Mining Private Limited	95.50	48.34
				19,174.14	**7,878.37**

Sr No	Head	Relationship	Name of Related Party	Year Ended March 31, 2023	Year Ended March 31, 2022
2	Services Availed (including reimbursement of expenses)	Other Entity*	Adani Ahmedabad International Airport Limited	86.90	32.88
			Adani Airport Holdings Limited	68.69	1.80
			Adani Lucknow International Airport Limited	0.07	0.16
			Adani Mangaluru International Airport Limited	-	0.08
			Astraeus Services IFSC Limited	3,663.70	-
			Belvedere Golf And Country Club Private Limited	3.01	2.46
			Guwahati International Airport Limited	-	0.10
			Jaipur International Airport Limited	0.88	0.53
			Mumbai International Airport Limied	55.76	-
			TRV (Kerala) International Airport Limited	0.16	-
				3,879.17	**38.02**
3	Donation	Other Entity*	Adani Foundation	9.33	-
4	Capt. Saroj Kumar Mohapatra	KMP	**Compensation of Key Management Personnel**		
			- Short-term benefits	103.14	-
			- Post-employment benefits	4.80	-
			- Other long-term benefits	1.89	-
				109.84	**-**
5	Nirav Bhatt	KMP	**Compensation of Key Management Personnel**		
			- Short-term benefits	147.53	-
			- Post-employment benefits	-	-
			- Other long-term benefits	2.16	
				149.70	**-**
6	Piyush Gandhi	KMP	**Compensation of Key Management Personnel**		
			- Short-term benefits	17.41	-
			- Post-employment benefits	1.18	-
			- Other long-term benefits	0.33	-
				18.92	**-**
7	Advance / Deposit given	Other Entity*	Astraeus Services IFSC Limited	628.81	-
8	Perpetual Securities Taken	Parent Company	Adani Ports And Special Economic Zone Limited	11,500.00	-
9	Loans Taken	Parent Company	Adani Ports And Special Economic Zone Limited	14,492.25	7,871.45
10	Loans Repaid	Parent Company	Adani Ports And Special Economic Zone Limited	14,863.50	8,960.05

(B) Balances with Related Party

₹ in Lacs

Sr No	Head	Relationship	Name of Related Party	As on March 31, 2023	As on March 31, 2022
1	Trade Receivable (net of bills discounted)	Parent Company	Adani Ports And Special Economic Zone Limited	2,564.33	1,834.43
		Other Entity*	Adani Bunkering Private Limited	787.92	799.68
			Adani Cement Industries Limited	0.94	0.31
			Adani Cementation Limited	3.69	-
			Adani Electricity Mumbai Limited	600.23	300.06
			Adani Enterprises Limited	88.66	32.23
			Adani Estate Management Private Limited	1,010.80	875.06
			Adani Estates Private Limited	43.50	-
			Adani Green Energy Limited	49.13	88.39
			Adani Power Limited	1.85	-
			Adani Road Transport Limited	2,900.00	-
			Agnel Developers	7.44	-
			Alton Buildtech India Private Limited	175.29	-
			Bailadila Iron Ore Mining Private Limited	-	4.69
			Esteem Constructions Private Limited	7.57	-
			Gare Palma II Collieries Private Limited	-	5.54
			Gare Pelma III Collieries Limited	2.35	1.17
			Kurmitar Iron Ore Mining Private Limited	2.82	2.82
			Mahanadi Mines & Minerals Private Limited	2.58	-
			Mistry Construction Private Limited	25.74	-
			MP Natural Resources Private Limited	2.81	-
			Mundra Solar Energy Limited	720.50	-
			Mundra Solar PV Limited	-	54.49
			Mundra Solar Technology Limited	416.25	-
			Adani Tracks Management Services Private Limited	12.00	7.51
			Stratatech Mineral Resources Private Limited	3.05	1.78
			Talabira (Odisha) Mining Private Limited	-	6.26
				9,429.45	**4,014.42**
2	Trade Payable (including provisions)	Other Entity*	Adani Enterprises Limited	1.85	1.40
			Adani Ahmedabad International Airport Limited	36.89	0.23
			Adani Logistics Limited	9.40	-
			Adani Airport Holdings Limited	6.68	1.81
			Mumbai International Airport Limied	3.73	0.49
				58.55	**3.93**
3	Advance from Customer	Other Entity*	MP Natural Resources Private Limited	1.41	-
4	Other Financial & Non-Financial Assets	Parent Company	Adani Ports And Special Economic Zone Limited	0.01	1.27
		Other Entity*	Astraeus Services IFSC Limited	628.81	-
			Mumbai International Airport Limied	5.00	15.00
				633.82	**16.27**
5	Other Current & Non-Financial Liabilities	Other Entity*	Adani Ahmedabad International Airport Limited	0.02	-
6	Borrowings	Parent Company	Adani Ports And Special Economic Zone Limited	3,308.46	3,679.71
7	Perpetual Securities	Parent Company	Adani Ports And Special Economic Zone Limited	30,000.00	18,500.00

* Entities over which (i) Key Management Personnel and their relatives & (ii) entities having significant influence over the Company have control or are under significant influence through voting powers.

33 **Employee Benefits**

The Company has made provision in the accounts for Gratuity based on actuarial valuation. The particulars under the Ind AS 19 "Employee Benefits" furnished below are those which are relevant and available to the Company for this year.

a) **Contributions to Defined Contribution Plan, recognised as expense for the year are as under:**

₹ in Lacs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident Fund	51.56	38.71
Super Annuation Fund	-	-
Total	**51.56**	**38.71**

b) **Defined Benefit Obligations :**

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.

Liability in respect of Gratuity is determined based on actuarial valuation done by actuary as at the balance sheet date. Each year, the management reviews the level of funding in the gratuity fund. Such review includes the asset - liability matching strategy. The management decides its contribution based on the results of this review. The management aims to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

These post-employment benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk

Interest Risk	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government securities. A decrease in yields will increase the fund liabilities and vice-versa.
Longevity Risk	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

Gratuity

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

₹ in Lacs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of the defined benefit obligation at the beginning of the year	97.38	85.36
Current service cost	17.99	12.91
Past Service Cost		
Interest cost	7.18	5.72
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions	(22.51)	-
- change in demographic assumptions		-
- change in financial assumptions	39.25	(1.57)
- experience variance	3.11	7.99
Benefits paid	-	(12.67)
Liability Transfer In	6.79	0.59
Liability Transfer Out	-	(0.95)
Present value of the defined benefit obligation at the end of the year	**149.20**	**97.38**

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

₹ in Lacs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Fair value of plan assets at the beginning of the year	45.66	42.95
Investment income	3.15	2.88
Contributions by employer	-	-
Benefits paid	-	-
Return on plan assets , excluding amount recognised in net interest expense	-	(0.16)
Fair value of plan assets at the end of the year	**48.81**	**45.66**

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

₹ in Lacs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of the defined benefit obligation at the end of the year	149.20	97.38
Fair value of plan assets at the end of the year	48.81	45.66
Amount recognised in the balance sheet	(100.39)	(51.72)
Net (liability)/asset - Current	-	-
Net (liability)/asset - Non-current	**(100.39)**	**(51.72)**

iv) Expense recognised in the statement of profit and loss for the year ₹ in Lacs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	17.99	12.91
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	4.03	2.84
Total Expenses included in employee benefits expense	**22.02**	**15.75**

v) Recognised in the other comprehensive income for the year ₹ in Lacs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial (gain)/losses arising from		
- change in demographic assumptions	(22.51)	-
- change in financial assumptions	39.25	(1.57)
- experience variance (i.e. actual experience vs assumptions)	3.11	7.99
Return on plan assets, excluding amount recognised in net interest expense	-	0.16
Recognised in comprehensive income	**19.86**	**6.59**

vi) Maturity profile of Defined Benefit Obligation ₹ in Lacs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Weighted average duration (based on discounted cash flows)	5 years	8 years

vii) Quantitative sensitivity analysis for significant assumption is as below

Increase/(decrease) in present value of defined benefits obligation at the end of the year ₹ in Lacs

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
Assumptions	Discount rate			
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligations	(7.31)	8.00	(7.22)	8.17

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
Assumptions	Salary Growth rate			
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligations	7.59	(7.09)	8.00	(7.21)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
Assumptions	Attrition rate			
Sensitivity level	0.50% Increase	0.50% Decrease	0.50% Increase	0.50% Decrease
Impact on defined benefit obligations	(10.37)	20.75	(2.07)	2.95

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
Assumptions	Mortality rate			
Sensitivity level	0.10% Increase	0.10% Decrease	0.10% Increase	0.10% Decrease
Impact on defined benefit obligations	(0.03)	0.03	(0.01)	0.01

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.

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Investments with insurer	100%	100%

* 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: ₹ in Lacs

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.50%	6.90%
Expected rate of return on plan assets		
Rate of escalation in salary (per annum)	12.00%	8.00%
Mortality	Indian assured mortality table 2012-14	Indian assured mortality table 2012-14
Attrition rate	18.00%	8.50 %

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.

ix) Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Expected Contribution during the next annual reporting period

The company expects to contribute ₹ 100.39 Lacs /- (previous year ₹ 65.74 Lacs) to gratuity fund in the next year.

c) Maturity Profile of Defined Benefit Obligation

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (31 March 2022: 8 years). The expected maturity analysis of gratuity benefits is as follows :

Expected cash flows over the next (valued on undiscounted basis):	Amount ₹ in Lacs
1 year	23.30
2 to 5 years	83.99
6 to 10 years	89.99
More than 10 years	37.12

k) Risk Exposure and Asset Liability Matching

Through its defined benefit plan of Gratuity, the Company is exposed to its number of risks, viz. asset volatility, changes in return on assets, inflation risks and life expectancy. The Company has purchased insurance policy, which is a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The Insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk.

c) Compensated absences/ leaves

Other long term employee benefits comprise of compensated absences/leaves, which are recognised based on actuarial valuation. The actuarial liability for compensated absences as at the year ended March 31, 2023 is ₹ 133.99 Lacs (March 31, 2022: ₹ 92.32 Lacs).

34 Below are the ratio as on March 31, 2023 and March 31, 2022

Sr No	Ratio Name	Formula	March 31, 2023	March 31, 2022	% Variance	Reason for variance
1	Current	Current Assets / Current Liabilities	1.58	1.05	51.16%	Refer note (i)
2	Debt-Equity	Total Debt / Shareholder's Equity	0.10	0.19	-44.79%	Refer note (ii)
3	Debt Service Coverage	Earnings available for debt service (PAT + Interest cost + Foreign Exchange Loss or (Gain) (net) + Depreciation) / Debt Service (Interest cost & lease payments + repayment of non current debt made during the period excluding refinanced loans))	0.17	0.77	-77.43%	Refer note (iii)
4	Return on Equity	Net Profit after Taxes / Avg Equity Shareholder's Fund	0.03	0.09	-63.78%	Refer note (iv)
5	Inventory Turnover	NA	NA	NA	NA	Refer note (x)
6	Trade Receivables Turnover	Revenue from operations / Average Accounts Receivable	2.83	1.83	54.38%	Refer note (v)
7	Trade Payable Turnover	Operating exp & Other expense/ Average Trade Payable	4.25	2.42	75.81%	Refer note (vi)
8	Net Capital Turnover	Revenue from Operation / Avg Net Assets	9.09	-7.67	218.46%	Refer note (vii)
9	Net Profit	Profit After Tax / Revenue from Operations	0.04	0.22	-79.44%	Refer note (viii)
10	Return on Capital Employed	Earnings before Interest andTaxes / Capital Employed (Tangible Networth+Total Debt)	0.07	0.08	-12.31%	Refer note (ix)
11	Return on Investment	NA	NA	NA	NA	Refer note (x)

Note :

i. Due to increse in trade recevables (current assets)
ii. Due to increse in equity on account of issue of perpectual debts
iii. Due to repayment of borrowings in previous year, and Increase in Lease payments and finance cost in current year
iv. Decrase in Profit due to Forex Loss & Depriciation on new Aircraft and increse in equity on account of issue of perpectual debts during the year
v. Due to Incrase in revenue and trade Receivables
vi. Due to increse in Exps on account of leasing of New Aircraft
vii. Due to Incrase in revenue
viii. Decrase in Profit due to Forex Loss & Depriciation on new Aircraft and increse in revenue during the year
ix. Due to increse in equity on account of issue of perpectual debts
x. Either Numerator or Denominator is not available for computing above ratio, Hance not Computed.

35 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 May 20, 2023, there are no subsequent events to be recognized or reported that are not already disclosed.

36 Other Information

i) The company is the process of appointing a full time Company Secretary as required under Provisions of Section 203 of the companies Act, 2013 read with Companies (Appointment and remuneration of Managerial Personal) Rules 2014. However, the secretarial work of the company is being managed by Company Secretary of Parent Company.

ii) During the quarter ended March 31, 2023, a short seller had issued a report making allegations involving Adani Group companies including APSEZ Group, which have been duly denied by Adani Group. To uphold the principles of good governance, Adani Group had undertaken review of transactions referred in the short seller's report (including that of the Company) through an independent law firm. The report confirms Company's compliance of applicable laws and regulations.

Further, in context of the short seller's report, there is petition filed in the Hon'ble Supreme Court, and SEBI is examining compliance of laws and regulations by conducting inquires to the Group's listed companies. Based on the foregoing and pending outcome of the investigations mentioned above, the financial results do not carry any adjustments.

37 statutory Information

a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

b) The company does not have any working capital facility availed from banks or financial institutions and hence it is not required to file Quarterly returns or statements of current assets with banks or financial institutions

c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

e) Based on the information available with the Company, there are no transactions with struck off companies

38 Standards issued but not effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, as and when they become effective. The Ministry of Corporate Affairs (MCA) has notified certain amendments to Ind AS, through Companies (Indian Accounting Standards) Amendment Rules, 2023 on 31st March, 2023. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board (IASB) into Ind AS and has amended the following standards:

1. Ind AS 101 - First-time adoption of Ind AS
2. Ind AS 102 - Share Based Payment
3. Ind AS 103 – Business Combinations
4. Ind AS 107 – Financial Instruments - Disclosures
5. Ind AS 109 – Financial Instruments
6. Ind AS 115 – Revenue from Contracts with Customers
7. Ind AS 1 – Presentation of Financial Statements
8. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
9. Ind AS 12 - Income Taxes
10. Ind AS 34 – Interim Financial Reporting

These amendments shall come into force with effect from April 01, 2023.

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

39 Approval of financial statements

The financial statements were approved for issue by the board of directors on May 18, 2023

For SHAH DHANDHARIA & CO LLP
Chartered Accountants
Firm's Registration No.: 118707W/W100724

Shubham Rohatgi
Partner
Membership No. 183083

Place: Ahmedabad
Date: May 18, 2023

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

Sarojkumar Mohapatra
Director
DIN: 09404900

Nirav Bhatt
Director
DIN: 09404518

Piyush Gandhi
Chief Financial Officer

Place: Ahmedabad
Date: May 18, 2023