

DHARMESH PARIKH & CO.

CHARTERED ACCOUNTANTS

303/304, "Milestone", Nr. Drive-in-Cinema, Opp.T.V.Tower, Thaltej,
Ahmedabad-380 054. Phone: 91-79-27474466 Fax: 91-79-27479955

INDEPENDENT AUDITOR'S REPORT

To

The Members of Karnavati Aviation Private Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Karnavati Aviation Private Limited ("the Company"), which comprise the Balance Sheet as at March31,2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



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Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its losses and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28(a) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Ahmedabad
Date : 25/04/2015



For **DHARMESH PARIKH & CO.**
Chartered Accountants
Firm Reg. No. 112054W

Chirag Shah
Chirag Shah
Partner
Membership No. 122510

DHARMESH PARIKH & CO.

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ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT RE: KARNAVATI AVIATION PRIVATE LIMITED

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business.
- (ii) The Company being in the service industry is primarily carrying inventory in the nature of stores and spares and do not hold any inventory as defined in Accounting Standard 2 on Valuation of Inventories. Accordingly the provisions of paragraph 3 (ii) of the Order is not applicable.
- (iii) According to the information and explanation given to us and the records produced to us for our verification, the company has not granted loans to any body corporate or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (the Act). Accordingly the provisions of paragraph 3 (iii) (a) & (iii) (b) of the Order are not applicable.
- (iv) According to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets, inventories and for the sale of services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules 2014 prescribed by the Central Government under section 148(1) of the Companies Act, 2013 in respect of the company's products/ services to which the said rules are made applicable and are of the opinion that prima facie the prescribed cost records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, entry tax, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities generally. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, entry tax, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 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 provident fund, sales tax, wealth tax, value added tax, cess 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, income tax and entry tax have not been deposited by the Company on account of disputes:



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

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

- (c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- (viii) The Company's accumulated losses at the end of the year exceeded 50% of its Net Worth. However the company had not incurred cash losses during the current as well as immediately preceding financial year.
- (ix) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank or financial institution during the year. The company has not borrowed funds from any debenture holders.
- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) To the best of our knowledge and as explained, the term loans raised during the year have been applied for the purpose for which they were raised.
- (xii) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of any such case by the management.

Place : Ahmedabad
Date : 25/04/2015



For **DHARMESH PARIKH & CO.**
Chartered Accountants
Firm Reg. No. 112054W

Chirag Shah

Chirag Shah
Partner
Membership No. 122510

KARNAVATI AVIATION PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2015

PARTICULARS	Notes	As at March 31, 2015 Amt in Rs.	As at March 31, 2014 Amt in Rs.
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
(a) Share Capital	3	45,00,00,000	20,00,00,000
(b) Reserves & Surplus	4	(43,54,61,673)	(36,05,35,000)
		1,45,38,327	(16,05,35,000)
NON-CURRENT LIABILITIES			
(a) Long-term borrowings	5	3,12,54,67,606	2,76,69,90,007
(b) Long-term provisions	7	22,38,891	23,65,986
		3,12,77,06,497	2,76,93,55,993
CURRENT LIABILITIES			
(a) Trade payables	8	2,64,06,251	4,61,14,024
(b) Other current liabilities	9	21,09,00,465	70,38,64,775
(c) Short-term provisions	7	20,00,654	18,35,871
		23,93,07,370	75,18,14,670
Total		3,38,15,52,194	3,36,06,35,663
ASSETS			
NON CURRENT ASSETS			
(a) Fixed assets	10		
(i) Tangible assets		2,85,13,41,754	2,94,03,46,140
(ii) Intangible assets		4,74,411	-
		2,85,18,16,165	2,94,03,46,140
(b) Non-current investments	11	60,000	60,000
(c) Deferred tax assets (Net)	6	-	-
(d) Long-term loans and advances	12	3,51,34,678	3,19,78,723
		2,88,70,10,843	2,97,23,84,863
CURRENT ASSETS			
(a) Inventories	13	1,65,31,602	1,01,00,062
(b) Trade receivables	14	45,27,86,516	25,88,71,824
(c) Cash and Cash Equivalents	15	34,28,926	2,13,90,419
(d) Short-term loans and advances	12	1,94,75,181	9,78,88,495
(e) Other current assets	16	23,19,126	-
		49,45,41,351	38,82,50,800
Total		3,38,15,52,194	3,36,06,35,663
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

For DHARMESH PARIKH & CO.
Chartered Accountants
Firm Registration No.: 112054W

Chirag Shah
(Chirag Shah)
Partner
Membership No. 122510

For and on behalf of the Board of Directors

(B. Ravi)
(B. Ravi)
Director
DIN: 00160891

(Shrikumar Nair)
(Shrikumar Nair)
Director
DIN: 03035537

(Abhishek Bansal)
(Abhishek Bansal)
Company Secretary

(Amish Shah)
(Amish Shah)
Chief Financial Officer

Place : Ahmedabad

Date **25 APR 2015**



Place : Ahmedabad

Date **25 APR 2015**



KARNAVATI AVIATION PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

PARTICULARS	Notes	For the year ended March 31, 2015	For the year ended March 31, 2014
		Amt in Rs.	Amt in Rs.
I. Income			
Revenue from Operation	17	46,74,05,879	43,59,46,852
Other Income	18	1,90,44,516	4,65,28,426
Total Revenue (I)		48,64,50,395	48,24,75,278
II. Expenses			
Operating Expense	19	14,57,25,201	15,92,33,311
Employee benefits Expense	20	6,18,40,236	5,97,28,658
Depreciation & Amortization Expense	10	16,88,94,145	19,31,66,730
Finance costs	21	8,35,55,814	9,48,05,814
Other Expense	22	9,99,16,062	11,36,38,442
Total Expenses (II)		55,99,31,458	62,05,72,955
III. (Loss) before tax (I - II)		(7,34,81,063)	(13,80,97,677)
IV Tax Expense:			
Current Tax		-	-
Deferred Tax Expense		-	1,86,43,653
(Loss) for the year (III - IV)		(7,34,81,063)	(15,67,41,330)
V Earning per equity share (Rs. 10 each)			
- Basic & Diluted	23	(3.49)	(31.32)
Summary of significant accounting policies.	2		

The accompanying notes are an integral part of the financial statements

For DHARMESH PARIKH & CO.
Chartered Accountants
Firm Registration No.: 112054W


(Chirag Shah)
Partner
Membership No. 122510

For and on behalf of the Board of Directors

(B. Ravi)
Director

DIN: 00160891

(Shrikumar Nair)
Director

DIN: 03035537

(Abhishek Bansal)
Company Secretary

(Anish Shah)
Chief Financial Officer

Place : Ahmedabad

Date : 25 APR 2015



Place : Ahmedabad

Date : 25 APR 2015



KARNAVATI AVIATION PRIVATE LIMITED
Cash flow Statement for the year ended March 31, 2015

	For the year ended March 31, 2015 Amt in Rs.	For the year ended March 31, 2014 Amt in Rs.
A. CASH FLOW FROM OPERATIONS		
Net Profit/ (Loss) before tax	(7,34,81,063)	(13,80,97,677)
Adjustments for :		
Depreciation	16,88,94,145	19,31,66,730
Liability no longer required written back	-	(9,37,074)
Bad Debts / Provision for Doubtful Debts	470	15,95,164
Unrealised Foreign Exchange (Gain) / Loss	325	(1,27,94,300)
Interest Expense	8,35,55,814	9,48,05,814
Expenses for increase in Authorised Share Capital	18,76,700	-
Interest Income	(68,60,565)	(11,74,528)
Dividend	(39,960)	-
Total Adjustment to Net Profit/(Loss)	24,74,26,929	27,46,61,806
Operating Profit/(Loss) before Working Capital Changes	17,39,45,866	13,65,64,129
Adjustments for :		
(Increase) In Trade Receivables	(19,39,15,163)	(13,11,84,186)
(Increase) in Inventories	(64,31,540)	(47,73,772)
(Increase) in other current assets	(23,19,126)	-
Decrease in Loans and Advances	7,83,79,814	2,72,03,877
(Decrease)/Increase in Trade Payables	(1,97,08,098)	3,19,89,219
(Decrease)/Increase in Other Liabilities	(19,70,621)	26,21,499
Increase in Provisions	37,688	19,43,412
Total working capital changes	(14,59,27,046)	(7,21,99,951)
Cash Generated from Operations	2,80,18,820	6,43,64,178
Direct Taxes (paid) / Refund (Net)	(31,22,455)	(99,33,038)
Net Cash from Operating Activities	2,48,96,365	5,44,31,140
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets (including realised forex loss)	(3,74,74,160)	9,47,83,686
Sale of Fixed Assets	25,055	-
Dividend Received	39,960	-
Interest Received	68,60,565	11,74,528
Net Cash used in Investing Activities	(3,05,48,580)	9,59,58,214
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	35,70,00,000	53,60,42,069
Repayment of Long Term Borrowings	(53,21,78,176)	(73,52,74,926)
Proceeds from Issue of fresh equity	25,00,00,000	15,00,00,000
Expenses for Increase in Authorised Share Capital	(18,76,700)	-
Interest paid	(8,52,54,402)	(9,91,81,183)
Net Cash Flow used in Financing Activities	(1,23,09,278)	(14,84,14,040)
D. Net Increase in Cash and Bank Balances (A+B+C)	(1,79,61,493)	19,75,314
Cash and Cash Equivalents at the beginning of the period	2,13,90,419	1,94,15,105
Cash and Cash Equivalents at the End of the period	34,28,926	2,13,90,419
Components of Cash & Cash Equivalents		
Cash on Hand	-	-
In Current Account	34,28,926	2,13,90,419
	34,28,926	2,13,90,419

Notes:

- The Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard-3 on Cash Flow Statements notified by Company Accounting Standard Rules, 2006
- Previous year's figures have been regrouped where necessary to confirm to this year's classification.

As per our report of even date

For DHARMESH PARIKH & CO.
Chartered Accountants
Firm Registration No.: 112054W

(Chirag Shah)
Partner
Membership No. 122510

For and on behalf of the Board of Directors

(B. Ravi)
Director

DIN: 00160891

(Shrikumar Nair)
Director

DIN: 03035537

(Abhishek Bansal)
Company Secretary

(Anish Shah)
Chief Financial Officer

Place : Ahmedabad

Date:

Place : Ahmedabad

Date:

25 APR 2015

25 APR 2015



1 Corporate information

Karnavati Aviation Private Limited ("KAPL") is in the business of providing Aviation services under the category of Non-schedule operator. KAPL is wholly owned subsidiary Company of Adani Ports and Special Economic Zone Limited. Presently, Company owns and operates three Aircrafts.

2 Summary of Significant Accounting Policies

a)

i) Basis of Preparation

The financial statements of the Karnavati Aviation Private Limited have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) to comply with the accounting standards notified under section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which are deemed to be applicable as per section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the 1956 Act/ 2013 Act, as applicable.

The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

ii) Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in the year in which such revision is made.

iii) Current / Non current classification

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Revised Schedule III to the Companies Act, 2013. Based on the nature of activities and time between the activities performed and their subsequent realisation in cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

b) Inventories

Stores, spares & consumables are valued at cost.

c) Cash and Cash Equivalents (For Purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

d) Cash Flow Statements

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

e) Depreciation on tangible fixed assets

i) Depreciation on fixed asset is calculated on Straight Line Method (SLM) using the rates arrived at based on the useful lives estimated by the management. Further, pursuant to the notification of Schedule II of the Companies Act 2013, by the Ministry of Corporate Affairs effective April 01, 2014, the management has internally reassessed and changed, wherever necessary the useful lives to compute depreciation, to conform to the requirements of the Companies Act, 2013.

ii) During the year, the estimated useful life and residual value of the fixed assets have been revised in accordance with schedule II of The Companies Act, 2013 and other considerations, as applicable. Due to this change in estimated useful life and residual value of assets, the depreciation charge of Rs 14,45,610/- has been recognised in the opening balance of retained earnings for assets where estimated remaining useful life was NIL as on April 1, 2014 and the depreciation charge for the year ended March 31, 2015 is lower by Rs 3,18,17,460/-.

iii) Depreciation on addition on account of increase in Rupee value due to foreign exchange fluctuation is being provided at the rate of depreciation over the remaining life of the said assets.

iv) Depreciation on Fixed Asset acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

f) Revenue Recognition

i) Revenue is recognised to the extent it is probable that the economic benefit will flow to the company and revenue can be reliably measured.

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

iii) Dividend is recognised when the share holders' right to receive payment is established on the balance sheet date.

iv) Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.



g) Tangible Fixed Assets

- i) Fixed Assets are stated at cost of acquisition including any attributable cost for bringing the assets to its working condition for its intended use, less accumulated depreciation.
- ii) The cost comprises purchase price less discount/rebates, eligible borrowing costs and directly attributable cost of bringing the asset to its working condition for the intended use.
- iii) In line with Notification No. G.S.R. 225(E) dated March 31, 2009 (further amended by notification no. G.S.R.378 (E) dated 11.05.2011) issued by the Ministry of Corporate Affairs, Government of India, the Company has opted for adjusting the exchange differences, arising on long term foreign currency monetary items relating to acquisition of depreciable capital assets to the cost of the capital asset and to depreciate over the balance useful life of the asset.
- iv) Any capital expenditure in respect of assets, the ownership of which would not vest with the Company, is charged off to revenue in the year of incurrence.

h) Foreign Currency Translation

i) Initial Recognition

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

ii) Conversion

At the year-end, monetary items denominated in foreign currencies, other than those covered by forward contracts, are converted into rupee equivalents at the year-end exchange rates.

iii) Exchange Differences

Exchange differences arising on long term foreign currency monetary items related to acquisition of a fixed assets are capitalized and depreciated over the remaining useful life of asset. All other exchange differences are recognized as income or as expenses in the period in which they arise.

i) Employees Retirement Benefits

i) Defined Benefit Plan

Gratuity with respect to defined benefit schemes are accrued based on actuarial valuations, carried out by an independent actuary as at the balance sheet date. These contributions are covered through Group Gratuity Scheme with Tata AIG Life Insurance Co Ltd and are charged against revenue.

ii) Defined Contribution Plans

Company's contribution to Provident Fund, Superannuation Fund, Employees' State Insurance Fund are determined under the relevant schemes and/or statute, charged to the Statement of Profit and Loss when incurred.

iii) Provision is made for leave encashment based on actuarial valuation carried out by an independent actuary as at the balance sheet date.

iv) Termination benefits, if any, are recognised as an expense as and when incurred.

j) Investments

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

k) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

l) Segment Reporting Policies

In accordance with the Accounting Standard 17 -" Segment Reporting" as prescribed under Companies (Accounting Standards) Rules, 2006 (as amended), the Company has determined its business segment as Aviation services. Since there are no other business segments in which the Company operates there are no other primary reportable segments. Therefore, the segment revenue, results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statement.

m) Related Party Transactions

Disclosure of transactions with Related Parties, as required by Accounting Standard 18 "Related Party Disclosures" has been set out in a separate note. Related parties as defined under clause 3 of the Accounting Standard 18 have been identified on the basis of representations made by key managerial personnel and information available with the Company.

n) Leases

The Company's significant leasing arrangements are in respect of leases for land (portacabin). The leasing arrangements which are not cancelable range between 11 months and five years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent including lease rentals.



o) Earnings per share

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard - 20 issued under The Companies (Accounting Standards) Rules, 2006 (as amended). 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.

p) Accounting for Taxation

i) Deferred Taxation

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations, where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each balance sheet date the Company reassesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtual certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised.

ii) Current Taxation

Provision for current taxation has not been made in the absence of taxable profit.

q) Impairment

The carrying values of assets / cash generating units are reviewed for impairment at each balance sheet date. If any indication of impairment exists, the recoverable amount is estimated. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the period in which an asset is identified as impaired. The impairment loss, if any, recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount

r) Provisions, Contingent Liabilities and Contingent Assets :

Provision involving substantial degree of estimation in measurements are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

s) Expenditure

Expenditures are accounted net of taxes recoverable, wherever applicable.



KARNAVATI AVIATION PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2015
3 Share Capital

	As at 31-03-2015 Amt in Rs.	As at 31-03-2014 Amt in Rs.
Authorized shares		
4,50,00,000 Equity Shares (Previous year 2,00,00,000 Equity Shares) of Rs. 10/- each	45,00,00,000	20,00,00,000
	45,00,00,000	20,00,00,000
Issued, subscribed and fully paid-up shares		
4,50,00,000 Equity Shares (Previous year 2,00,00,000 Equity Shares) of Rs. 10/- each fully paid up	45,00,00,000	20,00,00,000
Total issued, subscribed and fully paid-up share capital	45,00,00,000	20,00,00,000

The Authorised Capital of the Company has been increased by Rs 25,00,00,000/- (Equity Shares of Rs 10/- each), pursuant to an ordinary Resolution passed at the Extraordinary General Meeting of the Shareholders held on March 18, 2015.

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	As at 31-03-2015		As at 31-03-2014	
Equity Shares	Nos	Amt in Rs.	Nos	Amt in Rs.
At the beginning of the year	2,00,00,000	20,00,00,000	50,00,000	5,00,00,000
Issued during the year	2,50,00,000	25,00,00,000	1,50,00,000	15,00,00,000
Outstanding at the end of the year	4,50,00,000	45,00,00,000	2,00,00,000	20,00,00,000

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

c. Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

Out of equity shares issued by the Company, shares held by its holding Company and its nominees are as below :

	As at 31-03-2015		As at 31-03-2014	
Name of Share Holder	Nos	Amt in Rs.	Nos	Amt in Rs.
Adani Ports and Special Economic Zone Limited, the holding Company	4,50,00,000	45,00,00,000	2,00,00,000	20,00,00,000
Equity shares of Rs. 10 each fully paid				

d. Details of shareholders holding more than 5% equity shares in the company

	As at 31-03-2015		As at 31-03-2014	
Name of Share Holder	Nos	% Holding	Nos	% Holding
Adani Ports and Special Economic Zone Limited, the holding Company	4,50,00,000	100.00%	2,00,00,000	100.00%
Equity shares of Rs. 10 each fully paid				



KARNAVATI AVIATION PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2015
4 Reserves and surplus

	As at 31-03-2015 Amt in Rs.	As at 31-03-2014 Amt in Rs.
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	(36,05,35,000)	(20,37,93,670)
Depreciation charged to retained earning - (Note 2 (e) (iii))	(14,45,610)	-
Add : (Loss) for the year	(7,34,81,063)	(15,67,41,330)
Net (Deficit) in the statement of Profit and Loss	(43,54,61,673)	(36,05,35,000)
Total reserves and surplus	(43,54,61,673)	(36,05,35,000)

5 Long-term borrowings

	Non-current portion		Current maturities	
	As at 31-03-2015 Amt in Rs.	As at 31-03-2014 Amt in Rs.	As at 31-03-2015 Amt in Rs.	As at 31-03-2014 Amt in Rs.
Loans from holding Company (unsecured) (Refer below note 3)	1,42,90,00,000	95,70,00,000	-	50,50,00,000
Term Loans				
Foreign Currency Loans (Secured) (Refer below note 1 & 2)	1,69,64,67,606	1,80,99,90,007	19,16,13,433	17,59,08,547
	3,12,54,67,606	2,76,69,90,007	19,16,13,433	68,09,08,547
Amount disclosed under the head "other current liabilities" (Refer note 9)			-19,16,13,433	-68,09,08,547
	3,12,54,67,606	2,76,69,90,007	-	-

1) Loan from Export Development Canada (INR 75 cr) which carries interest @ of LIBOR + 425 basis point. The Loan is repayable in 20 Half yearly installments along with interest beginning from 27-04-2010. The Loan is secured by hypothecation of Aircraft Challenger 605. Additionally it is secured by corporate guarantee of holding Company.

2) Loan from Bank of America (INR 118 cr) which carries interest @ LIBOR + 324 basis point. The Loan is repayable in 28 quarterly installments along with interest beginning from 30-05-2013. The Loan is secured by hypothecation of Aircraft Legacy - 650. Additionally it is secured by corporate guarantee of holding Company.

3) The company has taken loan from Adani Ports and Special Economic Zone Limited at Nil interest rate which is repayable by 31st May, 2017 which may be further extended on mutual terms, if required.

6 Deferred tax assets (net)

	As at 31-03-2015 Amt in Rs.	As at 31-03-2014 Amt in Rs.
Deferred Tax Liability on Account of Depreciation	67,42,54,189	70,45,17,022
Total	67,42,54,189	70,45,17,022
Deferred Tax Assets on Account of		
(i) Unabsorbed Depreciation	84,23,51,536	73,74,08,086
(ii) Unpaid Leave encashment	10,67,282	10,28,747
(iii) Unpaid Gratuity	4,00,024	3,99,464
(iv) Unpaid Bonus	2,67,781	4,91,981
Total	84,40,86,623	73,93,28,278
Net Deferred Tax (Assets) / Liability	(16,98,32,434)	(3,48,11,256)
Deferred Tax (Asset) / Liability Provided during the year	-	1,86,43,653

In accordance with the Accounting Standard 22, the net deferred tax assets are Rs 16,98,32,434/- (Previous year Rs 3,48,11,256/-). Due to lack of virtual certainty for realisation of assets, deferred tax assets has been not been recognised.

7 Provisions

	Long Term		Short Term	
	As at 31-03-2015 Amt in Rs.	As at 31-03-2014 Amt in Rs.	As at 31-03-2015 Amt in Rs.	As at 31-03-2014 Amt in Rs.
Provision for gratuity	91,653	-	10,64,153	11,75,240
Provision for leave benefits (Note - I)	21,47,238	23,65,986	9,36,501	6,60,631
	22,38,891	23,65,986	20,00,654	18,35,871

(Note-I : Bifurcation of provision for employee leave benefits between Long term and Short term provisions are considered on the basis of Actuarial report.)

KARNAVATI AVIATION PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2015

8 Trade payables

	As at 31-03-2015 Amt in Rs.	As at 31-03-2014 Amt in Rs.
Trade payables		
- Micro, Small and Medium Enterprises (Refer note 27)	-	-
- Other Trade Payables	2,64,06,251	4,61,14,024
	2,64,06,251	4,61,14,024

9 Other Current Liabilities

	As at 31-03-2015 Amt in Rs.	As at 31-03-2014 Amt in Rs.
Interest Accrued but not due on borrowings	1,66,28,777	1,83,27,365
Current Maturities of Long Term Loans (Refer note 5)	19,16,13,433	68,09,08,547
Advance from Customers	30,708	7,66,857
Capital Creditors and other payables	4,134	-
Statutory Liabilities		
TDS Payable	22,81,137	34,82,060
PF Payable	3,37,714	3,75,146
Other Statutory Liabilities	4,562	4,800
	21,09,00,465	70,38,64,775



Particulars	Gross Block					Depreciation/Amortization				Net Block		
	As at April 1, 2014	Additions during the year	Deductions during the year	Adjustment for foreign Exchange	As at March 31, 2015	As at April 1, 2014	Provided during the year	Charged to retained earning	Deductions/ Adjustments during the year	As at March 31, 2015	As at March 31, 2014	(Amt in Rs)
Tangible Assets												
Building	17,05,030	-	-	-	17,05,030	2,59,420	-	14,45,610	-	17,05,030	-	14,45,610
Plant & Machinery	3,52,19,97,351	-	-	8,09,84,836	3,60,29,82,187	58,49,35,351	16,82,88,375	-	-	75,32,23,726	2,84,97,58,461	2,93,70,62,000
Furniture & Fixtures	1,89,632	-	-	-	1,89,632	61,487	23,641	-	-	85,128	1,04,504	1,28,145
Office Equipments	5,10,916	1,95,500	-	-	7,06,416	2,67,383	91,145	-	-	3,58,528	3,47,888	2,43,533
Computer Equipment	5,37,391	1,22,681	37,800	-	6,22,272	1,76,776	1,99,912	-	12,745	3,63,943	2,58,329	3,60,615
Vehicles	16,87,747	-	-	-	16,87,747	5,81,510	2,33,665	-	-	8,15,175	8,72,572	11,06,237
Total	3,52,66,28,067	3,18,181	37,800	8,09,84,836	3,60,78,93,284	58,62,81,927	16,88,36,738	14,45,610	12,745	75,65,51,530	2,85,13,41,754	2,94,03,46,140
Previous Year	3,32,50,10,479	3,69,950	-	20,12,47,638	3,52,66,28,067	39,31,15,197	19,31,66,730	-	-	58,62,81,927	2,94,03,46,140	
Intangible Assets												
Software	-	5,31,818	-	-	5,31,818	-	57,407	-	-	57,407	4,74,411	-
Total	-	5,31,818	-	-	5,31,818	-	57,407	-	-	57,407	4,74,411	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,52,66,28,067	8,49,999	37,800	8,09,84,836	3,60,84,25,102	58,62,81,927	16,88,94,145	14,45,610	12,745	75,66,08,937	2,85,18,16,165	2,94,03,46,140
Previous Year	3,32,50,10,479	3,69,950	-	20,12,47,638	3,52,66,28,067	39,31,15,197	19,31,66,730	-	-	58,62,81,927	2,94,03,46,140	



KARNAVATI AVIATION PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2015
11 Non Current Investments

	As at 31-03-2015 Amt in Rs.	As at 31-03-2014 Amt in Rs.
<u>Unquoted Investments</u>		
Investment in National Saving Certificates (valued at cost) (Lodged with VAT authorities)	60,000	60,000
	<u>60,000</u>	<u>60,000</u>

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

12 Loans and advances

(Unsecured, considered good)

	Non-Current		Current	
	As at 31-03-2015 Amt in Rs.	As at 31-03-2014 Amt in Rs.	As at 31-03-2015 Amt in Rs.	As at 31-03-2014 Amt in Rs.
Security Deposit	1,20,00,600	1,19,67,100	2,49,100	1,82,830
Advances recoverable in cash or in kind	-	-	1,34,18,388	1,06,12,927
Capital Advance	-	-	-	8,02,04,450
Staff Imprest	-	-	8,48,747	4,25,277
Prepaid Expenses	-	-	13,60,473	27,24,843
(A)	1,20,00,600	1,19,67,100	1,58,76,708	9,41,50,327
<u>Balances with Statutory/ Government authorities</u>				
Deposited against Demand in Dispute	-	-	35,00,000	35,00,000
Cenvat Receivable	-	-	98,473	2,38,168
Tax paid in Advance (Net of Provision)	2,31,34,078	2,00,11,623	-	-
(B)	2,31,34,078	2,00,11,623	35,98,473	37,38,168
Total (A+ B)	3,51,34,678	3,19,78,723	1,94,75,181	9,78,88,495

13 Inventories

	As at 31-03-2015 Amt in Rs.	As at 31-03-2014 Amt in Rs.
Stores and spares	1,65,31,602	1,01,00,062
	<u>1,65,31,602</u>	<u>1,01,00,062</u>

14 Trade receivables

	As at 31-03-2015 Amt in Rs.	As at 31-03-2014 Amt in Rs.
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	29,91,62,900	12,85,46,805
Doubtful	87,97,567	91,65,304
	30,79,60,467	13,77,12,109
Provision for doubtful receivables	(87,97,567)	(91,65,304)
(A)	29,91,62,900	12,85,46,805
Others		
Unsecured, considered good	15,36,23,616	13,03,25,019
(B)	15,36,23,616	13,03,25,019
Total (A + B)	45,27,86,516	25,88,71,824



KARNAVATI AVIATION PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2015
15 Cash and cash equivalents

	As at 31-03-2015 Amt in Rs.	As at 31-03-2014 Amt in Rs.
<u>Balances with banks</u>		
In Current accounts	34,28,926	2,13,90,419
	34,28,926	2,13,90,419

**16 Other current assets
(Unsecured, Considered Good)**

	As at 31-03-2015 Amt in Rs.	As at 31-03-2014 Amt in Rs.
Unbilled revenue	23,19,126	-
	23,19,126	-

17 Revenue from operations

	For the Year ended 31-03-2015 Amt in Rs.	For the Year ended 31-03-2014 Amt in Rs.
Income from Air Craft Operations	46,74,05,879	43,59,46,852
	46,74,05,879	43,59,46,852

18 Other Income

	For the Year ended 31-03-2015 Amt in Rs.	For the Year ended 31-03-2014 Amt in Rs.
Interest		
Income tax refund	-	11,74,528
Others	68,60,565	-
Dividend on current investment	39,960	-
<u>Other Non operating Income</u>		
Foreign Exchange Fluctuation Gain	-	4,44,16,824
Liability no longer required written back	-	9,37,074
Expense claim received	1,21,43,991	-
	1,90,44,516	4,65,28,426

19 Operating Expense

	For the Year ended 31-03-2015 Amt in Rs.	For the Year ended 31-03-2014 Amt in Rs.
Aircraft Fuel	9,68,62,265	10,64,52,067
Airport Charges	3,55,07,817	3,57,33,277
Aircraft Hiring Charges	40,28,927	54,23,066
Aircraft Running & Operating Expenses	62,57,754	48,44,476
Pilot Hiring Charges	30,68,438	67,80,425
	14,57,25,201	15,92,33,311



KARNAVATI AVIATION PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2015
20 Employee benefits expense

	For the Year ended 31-03-2015 Amt in Rs.	For the Year ended 31-03-2014 Amt in Rs.
Salaries, Wages and Bonus	5,83,09,574	5,63,40,242
Contribution to Provident Fund & Other Funds	19,74,029	27,50,094
Workmen and Staff Welfare Expenses	15,56,633	6,38,322
	6,18,40,236	5,97,28,658

21 Finance costs

	For the Year ended 31-03-2015 Amt in Rs.	For the Year ended 31-03-2014 Amt in Rs.
Bank Guarantee & Commission Charge	32,46,487	29,97,310
Loan & Syndication Fees	29,11,697	59,75,520
Interest on Term Loan	7,73,97,630	8,57,92,311
Interest on Others	-	40,673
	8,35,55,814	9,48,05,814

22 Other Expense

	For the Year ended 31-03-2015 Amt in Rs.	For the Year ended 31-03-2014 Amt in Rs.
Legal & Professional Fees	61,09,469	54,59,671
Travelling and Conveyance Expenses	74,66,172	76,39,214
Stores and Spares Consumed	88,65,431	1,22,69,316
Repairs & Maintenance Expenses		
Aircraft	4,89,80,986	6,27,05,743
Computers	30,508	5,512
Buildings	9,711	1,857
Vehicles	9,51,361	4,71,875
Office Equipment	12,804	11,268
Others	67,56,655	72,93,017
Rent Expenses	18,62,283	13,59,186
Telephone & Internet Expenses	19,07,824	16,55,881
Rates & Taxes - Permission & License Fees	1,73,058	7,31,016
Printing, Stationery & Postage Expenses	3,45,874	3,64,279
Security Expenses	4,35,993	1,79,866
Office Expenses	14,25,826	1,97,511
Electricity Expenses	2,67,564	1,88,756
Miscellaneous Expenses	1,60,918	1,42,914
Insurance Expenses	1,07,87,675	11,07,85,28
Provision for Bad Debt	470	15,95,164
Foreign Exchange Fluctuation Loss	28,05,196	-
Advertisement & Publicity Expenses	4,65,084	1,94,858
Payment to auditor		
Audit Fee	35,000	35,000
Tax audit fee	15,000	15,000
Other services (certification fees)	45,200	43,010
	95,200	93,010
	9,99,16,062	11,36,38,442



KARNAVATI AVIATION PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2015
23 Earnings per share (EPS)

	For the Year ended 31-03-2015 Amt in Rs.	For the Year ended 31-03-2014 Amt in Rs.
Total operations for the year		
Loss after tax	(7,34,81,063)	(15,67,41,330)
Number of equity shares at the beginning of the year	2,00,00,000	50,00,000
Add : Weighted average no of equity shares issued during the year	10,27,397	4,110
Weighted average no of equity shares in calculating basic and diluted EPS	2,10,27,397	50,04,110
Basic and diluted earnings per share (in rupees)	(3.49)	(31.32)

24 Details of employee benefits

1. The Company has recognised in the Statement of Profit and Loss for the current year, an amount of Rs. 15.76 lacs (Previous Year Rs. 21.99 lacs) as expenses under the following defined contribution plan.

	(Amt in Rs.)	
Contribution to	For the year ended 31-03-2015	For the year ended 31-03-2014
Contribution to Provident Fund	15,76,813	21,99,969
Total	15,76,813	21,99,969

2. The Company has a defined gratuity plan. Every employee gets a gratuity on separation at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Tata AIG Life Insurance Co Ltd in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Profit and Loss Account
a) Net Employee benefit expense (recognised in Employee Cost)

	(Amt in Rs.)	
Particulars	Gratuity (Funded) For the year ended 31-03-2015	Gratuity (Funded) For the year ended 31-03-2014
Current Service cost	5,62,113	4,50,280
Interest Cost on benefit obligation	2,22,221	92,406
Expected return on plan assets	(1,03,865)	(48,434)
Actuarial loss / (gain) recognised in the year	6,844	(12,37,706)
Net benefit expense	6,87,313	(7,43,454)

Balance Sheet
b) Details of Provision for gratuity

	(Amt in Rs.)	
Particulars	Gratuity (Funded) As at 31-03-2015	Gratuity (Funded) As at 31-03-2014
Present value of defined benefit obligation	21,73,720	23,69,093
Fair value of plan assets	10,17,914	11,93,853
Surplus/(deficit) of funds	(11,55,806)	(11,75,240)
Net asset/ (liability)	(11,55,806)	(11,75,240)

c) Changes in Present Value of the defined benefit obligation are as follows:

	(Amt in Rs.)	
Particulars	Gratuity (Funded) As at 31-03-2015	Gratuity (Funded) As at 31-03-2014
Defined benefit obligation at the beginning of the Year	23,69,093	11,20,067
Current Service cost	5,62,113	4,50,280
Interest Cost	2,22,221	92,406
Actuarial (gain) / loss on obligations	(14,341)	12,69,689
Benefits paid	(9,65,366)	(5,63,349)
Defined benefit obligation at the end of the Year	21,73,720	23,69,093



KARNAVATI AVIATION PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2015**

d) Changes in Fair Value of Plan Assets are as follows:

Particulars	(Amt in Rs.)	
	Gratuity (Funded) As at 31-03-2015	Gratuity (Funded) As at 31-03-2014
Opening fair value of plan assets	11,93,853	5,63,349
Expected return	1,03,865	48,434
Contributions by employer	-	11,20,067
Benefits Paid	(2,58,619)	(5,63,349)
Actuarial gains / (losses)	(21,185)	31,983
Closing fair value of plan assets	10,17,914	12,00,484

Note:

The present value of the plan assets represents the balance available with the Tata AIG Life Insurance Co Ltd as at the end of the year. The total value of Plan Assets amounting to Rs. 10.17 Lacs (Previous year Rs. 12.00 lacs) is as certified by the Tata AIG Life Insurance Co Ltd

e) The major categories of

Benefit Contribution to	2014-15 %	2013-14 %
Investments with insurers	100%	100%

The overall expected rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation has to be settled.

f) The principal assumptions used in determining Gratuity obligations are as follows:

Particulars	Gratuity (Funded) As at 31-03-2015	Gratuity (Funded) As at 31-03-2014
Discount rate	7.96%	9.38%
Expected rate of return on plan assets	7.96%	8.70%
Rate of Escalation in Salary (per annum)	8.50%	8.00%
Attrition rate	10% for 4 years & below and 1 % thereafter	2.00%

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

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

Gratuity	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	(21,73,720)	(23,69,093)	(11,20,067)	(7,02,041)
Plan Assets	10,17,914	12,00,484	5,63,349	5,26,233
Surplus / (deficit)	(11,55,806)	(11,68,609)	(5,56,718)	(1,75,808)
Experience adjustments on plan liabilities - Loss / (Gain)	(14,341)	12,69,689	(66,576)	(2,61,584)
Experience adjustments on plan assets Loss / (Gain)	(21,185)	31,983	(8,929)	(5,729)



KARNAVATI AVIATION PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2015
25 Related Party Disclosures

The Management has identified the following entities and individuals as related parties of the Company for the year ended March 31, 2015 for the purposes of reporting as per AS 18 – Related Party Transactions, which are as under:

Criteria	Name of Company
Ultimate Holding Entity	Adani Enterprises Ltd. [Holding Company of APSEZL]
Holding Company	Adani Ports and Special Economic Zone Ltd. (APSEZL)
Fellow Subsidiary (APSEZL) (Companies with whom transaction has been done during the year)	1. Adani Hazira Port Pvt Ltd 2. Adani Kandla Bulk Terminal Pvt Ltd 3. Adani Murmugao Port Terminal Pvt Ltd 4. Adani Vizag Coal Terminal Pvt Ltd
Fellow Subsidiary (AEL)	1. Adani Power Ltd
Key Management Personnel	1. Mr. S. S. Bhatti 2. Mr. B. Ravi 3. Mr. Shrikumar Nair 4. Mr. Anish Shah 5. Mr. Abhishek Bansal

Aggregate of transactions for the year ended with these parties have been given below.

(Amt in Rs.)

Particulars	Ultimate Holding	Holding Company	Fellow Subsidiaries				
	Adani Enterprise Ltd	Adani Ports and Special Economic Zone Ltd	Adani Power Ltd	Adani Hazira Port Pvt Ltd	Adani Murmugao Port Terminal Pvt Ltd	Adani Kandla Bulk Terminal Pvt Ltd	Adani Vizag Coal Terminal Pvt Ltd
1. Services Rendered							
2014-15	-	11,35,40,567	16,41,14,520	3,27,01,249	-	2,22,32,499	-
2013-14		9,15,51,208	13,91,03,915	2,40,98,261	49,07,500	95,98,750	43,59,167
2. Fund Received							
2014-15	-	35,70,00,000	-	-	-	-	-
2013-14	-	40,20,00,000	-	-	-	-	-
3. Funds Given							
2014-15	-	39,00,00,000	-	-	-	-	-
2013-14	-	46,50,00,000	-	-	-	-	-
4. Share Issued							
2014-15	-	25,00,00,000	-	-	-	-	-
2013-14	-	15,00,00,000	-	-	-	-	-
5. Service Availed							
2014-15	11,09,874	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-
6. Balance O/s - Due From							
As at 31-03-2015	-	2,06,28,458	36,83,27,464	1,96,93,283	-	1,26,13,688	-
As at 31-03-2014	-	2,40,46,464	18,08,02,434	99,36,573	-	-	-
7. Balance O/s - Due To							
As at 31-03-2015	2,38,254	1,42,90,00,000	-	-	-	-	-
As at 31-03-2014	-	1,46,20,00,000	-	-	-	-	-
8. Balance - Guarantees & Collateral Securities							
2014-15 *	-	3,19,20,00,000	-	-	-	-	-
2013-14 *	-	3,03,48,00,000	-	-	-	-	-

Note:

* Outstanding Bank Guarantees facilities of Rs 59.94 crore (Previous Year Rs 59.94 crore) have been availed from the Bank guarantee limit of Parent company, Adani Ports and Special Economic Zone Ltd.



KARNAVATI AVIATION PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2015

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

Nature	As at March 31, 2015		As at March 31, 2014	
	Amount	Foreign Currency	Amount	Foreign Currency
Foreign Currency Loan	1,88,80,81,039	USD 3,02,09,297	1,98,58,98,554	USD 3,31,45,265
Interest accrued but not due	1,66,28,777	USD 2,66,060	1,83,27,365	USD 3,05,889
Trade Payable	8,69,761	USD 13,916	-	USD -

- 27 There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding as at the Balance Sheet date. The above information 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.

- 28 Contingent Liabilities (to the extent not provided for)

(a) Contingent Liabilities not provided for		(Amt in Rs.)	
S.No	Particulars	As at 31-03-2015	As at 31-03-2014
a.	In terms of the Show Cause cum Demand Notice issued by the Office of the Commissioner of Customs Preventive Section dated 27/02/2009, a demand of Rs. 14.67 Crore along with applicable interest and penalty thereon for the differential amount of Customs Duty in respect of import of Aircraft Hawker 850 XP under Non Scheduled Operation Permit (NSOP) has been raised on the Company against which Corporate Guarantee from Holding Company and Bank Guarantee given to Customs department.	14,81,00,000	14,81,00,000
b.	Bank Guarantee given to Deputy Commissioner of Customs for import of Aircraft Bombardier Challenger CL-600 2B26 under the Notification No. 21/2002 Sr. No. 347 B notified by the Govt. of India.	18,32,81,551	18,32,81,551
c.	Show cause notice received from Directorate General of Central Excise Intelligence for Non-Payment of Service Tax on Domestic Journey and on certain Foreign Service on reverse base mechanism amounting to Rs. 3,03,74,964/-. In this matter Company had filed appeal with Commissioner of Service Tax & Company has also received order for the same. In reference to order passed by Commissioner of Service Tax, the Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal against Order of Commissioner for confirmation of tax liability of Rs.3,71,30,634/- (including Penalty). The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company. This amount is Net off of Rs 35,00,000 paid under protest (shown under balance with Government Authorities))	3,36,30,634	3,36,30,634
d.	Bank Guarantee given to Deputy Commissioner of Customs for import of Aircraft Legacy 650 under the Notification No. 12/2012 Sr. No. 453 customs condition no. 77 notified by the Govt. of India.	26,80,00,000	26,80,00,000

(b) Capital Commitment

Particulars	As at March 31, 2015	As at March 31, 2014
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	-	-



KARNAVATI AVIATION PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2015

29 Additional Information pursuant to the provisions of Revised Schedule III to The Companies Act, 2013 to the extent applicable:

a) Expenditure in Foreign Currency (accrual basis)

Particulars	(Amt in Rs.)	
	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Foreign Bank Charges	29,11,697	59,75,520
Travelling Expenses	-	33,128
Others	2,03,55,610	1,07,02,079
Interest	7,73,97,631	8,57,92,311
Fees and Legal Expenses	-	2,00,753
Repairs & Maintenance	3,68,70,994	5,01,75,884

b) CIF value of imports

Particulars	(Amt in Rs.)	
	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Stores , Spares & Capital Goods	6,59,98,005	7,30,35,710

c) Imported and Indigenous stores and spares consumed

Particulars	For the Year ended March 31, 2015		For the Year ended March 31, 2014	
	Amount	%	Amount	%
Imported	82,15,428	92.67%	91,40,038	74.50%
Indigenous	6,50,003	7.33%	31,29,278	25.50%
Total	88,65,431	100.00%	1,22,69,316	100.00%

30 Other disclosure

In the opinion of the management and to best of their knowledge and belief the value under the head of Current and Non-current Assets (other than fixed assets and non-current investments) are approximately of the values stated, if realized in ordinary course of business, except unless stated otherwise. The provision for all known current liabilities is adequate and not in excess of amount considered reasonably necessary.

31 Previous year's figures

Previous year's figures have been regrouped wherever necessary to confirm to this year's classification.

For DHARMESH PARIKH & CO.
Chartered Accountants
Firm Registration No.: 112054W

(Chirag Shah)
Partner
Membership No. 122510

For and on behalf of the Board of Directors

(B. Ravi)
Director
DIN: 00160891

(Shrikumar Nair)
Director
DIN: 03035537

(Abhishek Bansal)
Company Secretary

(Anish Shah)
Chief Financial Officer

Place : Ahmedabad

Date : 25 APR 2015



Place : Ahmedabad

Date : 25 APR 2015

