

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Adani Vizag Coal Terminal Private Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of Adani Vizag Coal Terminal Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the 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 of these 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 of 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 the 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 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 issued by the Institute of Chartered Accountants of India, as 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.



# **S R B C & C O L L P**

Chartered Accountants

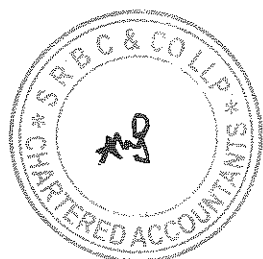
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2015, its loss, 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 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose 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 financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



# SRBC & CO LLP

Chartered Accountants

- (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
- (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 24 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.

For SRBC & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E

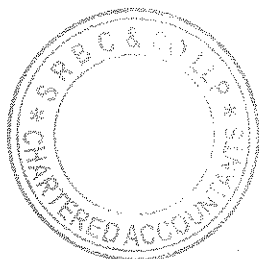


per Arpit K. Patel  
Partner

Membership Number: 34032

Ahmedabad

April 27, 2015



# SRBC & CO LLP

Chartered Accountants

**Annexure referred to in paragraph 1 on Report on Other Legal and Regulatory Requirements of our report of even date**

**Re: Adani Vizag Coal Terminal Private Limited**

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has capitalised port project assets w.e.f. October 1, 2014 after ensuring fixed assets are ready for intended use and physical verification of fixed assets. Hence all fixed assets has not been physically verified by the management after capitalisation during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- ii) a) The inventory of stores and spares, fuel and lubricants has been physically verified by the management during the year. In our opinion, the frequency of such physical verification is reasonable.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause (iii) (a) & (b) of the Order are not applicable to the Company and hence not commented upon.
- iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that part of purchases of fixed assets are of proprietary nature for which alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for rendering of services. The activities of the Company do not involve sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- v) The Company has not accepted any deposit from the public.
- vi) To the best of our knowledge and as explained, the Company is not required to maintain the cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.



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- vii) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales tax, service tax, customs duty, excise duty, value added taxes, cess and other material statutory dues applicable to it. The provisions of wealth tax and employees' state insurance are not applicable to the Company.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no outstanding statutory dues which have not been deposited on account of any dispute.
- d) According to the information and explanations given to us, the provisions of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder are not applicable to the company.
- viii) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in the current financial year and in the immediately preceding financial year.
- ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding dues in respect of financial institution or debenture holders during the year.
- x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.



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- xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For SRBC & CO LLP  
Chartered Accountants

ICAI Firm Registration Number: 324982E



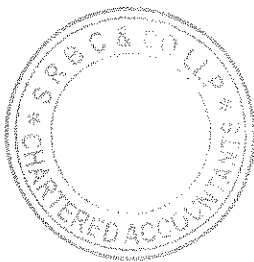
per Arpit K. Patel

Partner

Membership Number: 34032

Ahmedabad

April 27, 2015



**ADANI VIZAG COAL TERMINAL PRIVATE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2015**

	Notes	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	10,128.00	480.00
Reserves and surplus	4	(2,035.26)	(9.72)
		<b>8,092.74</b>	<b>470.28</b>
Share application money pending allotment		-	20.00
<b>Non-current liabilities</b>			
Long-term borrowings	5	23,811.20	28,508.00
Long-term provisions	8	2.29	0.16
		<b>23,813.49</b>	<b>28,508.16</b>
<b>Current liabilities</b>			
Trade payables	6	437.31	3.96
Other current liabilities	7	5,989.99	8,273.25
Short-term provisions	8	5.92	0.05
		<b>6,433.22</b>	<b>8,277.26</b>
<b>Total</b>		<b>38,339.45</b>	<b>37,275.70</b>
<b>Assets</b>			
<b>Non current assets</b>			
Fixed assets			
Tangible assets	9	35,162.41	84.24
Intangible assets	9	57.91	-
Capital work-in-progress	27	-	33,974.49
		<b>35,220.32</b>	<b>34,058.73</b>
Loans and advances	10	414.17	2,085.56
Other non-current assets	11	392.51	426.40
		<b>36,027.00</b>	<b>36,570.69</b>
<b>Current assets</b>			
Current investments	12	-	141.69
Inventories	13	175.84	-
Trade receivable	14	351.23	-
Cash and bank balances	15	45.15	22.94
Loans and advances	10	1,573.10	506.37
Other current assets	11	167.13	34.01
		<b>2,312.45</b>	<b>705.01</b>
<b>Total</b>		<b>38,339.45</b>	<b>37,275.70</b>

**Summary of significant accounting policies.**

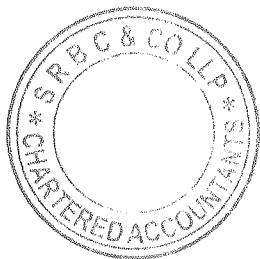
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The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP  
 ICAI Firm Registration No.: 324982E  
 Chartered Accountants

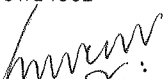
  
 per Arpit K. Patel  
 Partner  
 Membership No. 34032




Place : Ahmedabad  
 Date : April 27, 2015

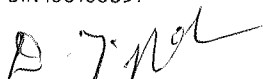
For and on behalf of the board of directors of  
 Adani Vizag Coal Terminal Private Limited

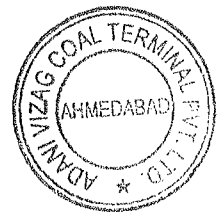
  
 G J Rao  
 Managing Director  
 DIN :01724002

  
 Satya Prakash Mishra  
 Chief Financial Officer

Place : Ahmedabad  
 Date : April 27, 2015

  
 B. Ravi  
 Director  
 DIN :00160891

  
 Dipti Shah  
 Company Secretary





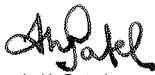
**ADANI VIZAG COAL TERMINAL PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015**

	Notes	March 31, 2015 ₹ In Lacs	March 31, 2014 ₹ In Lacs
Revenue from operations	16	2,101.32	-
Other income	17	6.56	-
<b>Total Revenue</b>		<b>2,107.88</b>	<b>-</b>
Operating expenses	18	426.94	-
Terminal royalty		1,047.95	-
Employees benefit expenses	19	92.45	-
Finance cost	20	1,148.33	-
Depreciation and amortization expense	9	1,084.81	-
Other expenses	21	332.94	2.06
<b>Total expenses</b>		<b>4,133.42</b>	<b>2.06</b>
Loss for the year		(2,025.54)	(2.06)
Earnings per equity share (in ₹) of face value of ₹ 10 each -Basic and diluted	22	(3.44)	(0.04)
Summary of significant accounting policies.	2.1		

The accompanying notes are an integral part of the financial statements

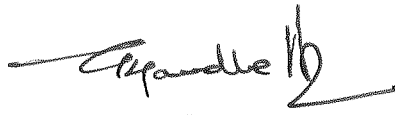
As per our report of even date

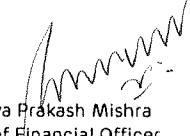
For S R B C & CO LLP  
 ICAI Firm Registration No.: 324982E  
 Chartered Accountants

  
 per Arpit K. Patel  
 Partner  
 Membership No. 34032




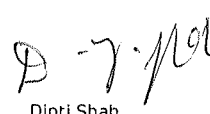
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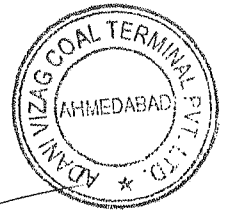
  
 G J Rao  
 Managing Director  
 DIN :01724002

  
 Satya Prakash Mishra  
 Chief Financial Officer

Place : Ahmedabad  
 Date : April 27, 2015

  
 B. Bavi  
 Director  
 DIN :00160891

  
 Dipti Shah  
 Company Secretary



Place : Ahmedabad  
 Date : April 27, 2015

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ADANI VIZAG COAL TERMINAL PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Lacs)

	March 31, 2015	March 31, 2014
<b>A. Cash flows from operating activities</b>		
<b>Loss for the year</b>	(2,025.54)	(2.06)
Adjustment to reconcile profit before tax to net cash flows		
Depreciation	1,084.81	-
Interest income	(2.04)	-
Dividend income	(4.52)	-
Interest expense	1,087.86	-
Unamortised ancillary finance cost	16.94	-
<b>Operating profit before working capital changes</b>	<b>157.51</b>	<b>(2.06)</b>
Movements in working capital :		
(Increase) in trade receivable	(351.23)	-
Decrease / (increase) in loans and advances	112.95	(464.34)
(Increase) in inventories (refer note 2)	(51.48)	-
(Increase) / decrease in other current assets	(133.12)	9.35
Increase / (decrease) in trade payables	433.35	(0.64)
Increase / (decrease) in other current liabilities	212.63	(51.85)
Increase in short term provisions	5.87	0.05
Increase in long term provisions	2.13	0.16
<b>Cash generated from operations</b>	<b>388.59</b>	<b>(509.33)</b>
Direct tax paid (net of refund)	(29.43)	(0.96)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>359.17</b>	<b>(510.29)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets (Including capital work in progress and capital advance)	(3,276.19)	(20,739.76)
Investment in mutual fund	(2,688.00)	(1,584.00)
Redemption of mutual fund	2,829.69	1,442.31
Interest received	2.04	-
Dividend received	4.83	-
<b>Net cash flow from / (used) in investing activities (B)</b>	<b>(3,127.63)</b>	<b>(20,881.45)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issuance of share capital	8,819.00	-
Proceeds from borrowings	814.32	22,027.99
Proceeds from Inter corporate deposit	4,288.50	12,388.00
Repayment of Inter corporate deposit	(8,819.00)	(13,000.00)
Share application money pending for allotment	-	829.00
Interest paid (Including interest expenses capitalised)	(2,312.15)	(880.23)
<b>Net cash flow from/ (used in) financing activities (C)</b>	<b>2,790.67</b>	<b>21,364.76</b>
<b>Net increase / (decrease) in cash and cash equivalent (A + B + C)</b>	<b>22.21</b>	<b>(26.98)</b>
Cash and cash equivalent at the beginning of the year	22.94	49.92
<b>Cash and cash equivalent at the end of the year (refer note 15)</b>	<b>45.15</b>	<b>22.94</b>

Summary of significant accounting policies.

2.1

The accompanying notes are an integral part of the financial statements

Notes :

1. 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.

2. Project inventory of Rs 124.34 has been transferred from capital work-in-progress to inventory which has been adjusted to determine cash flow from inventory.

As per our report of even date

For S R B C & CO LLP  
ICAI Firm Registration No.: 324982E  
Chartered Accountants

per Arpit K. Patel  
Partner



Place : Ahmedabad  
Date : April 27, 2015

For and on behalf of the Board of Directors  
Adani Vizag Coal Terminal Private Limited

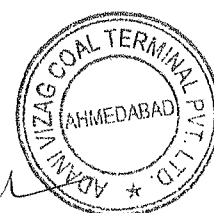
G J Rao  
Managing Director  
DIN : 01724002

Satya Prakash Mishra  
Chief Financial Officer

Place : Ahmedabad  
Date : April 27, 2015

B. Ravi  
Director  
DIN : 00160891

Dipti Shah  
Company Secretary



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**ADANI VIZAG COAL TERMINAL PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**1 Corporate information**

Adani Vizag Coal Terminal Private Limited ('the Company') was incorporated on April 15, 2011 as a 100% subsidiary of Adani Ports and Special Economic Zone Limited. The Company has developed bulk cargo port facility for Handling Steam Coal in the inner harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer ("DBFOT") basis under the Concession Agreement dated August 1 2011, which would be effective for a period of 30 years from the date of "Award of Concession" from August 8 2012.

The Company has capitalised the port assets, i.e. East Quay-1 ("EQ-1") Berth at Visakhapatnam Port, with effect from October 1 2014, and commenced its commercial operations.

**2 Basis of Preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for the change in accounting policy explained below.

**2.1 Summary of Significant Accounting Policies**

**Change in Accounting Policy**

**i) Depreciation on Fixed Assets**

Till the year ended March 31,2014 ,Schedule XIV of the Companies Act, 1956 ,prescribed requirements concerning depreciation of the Fixed Assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in following changes related to depreciation of fixed assets unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also .

**ii) Useful lives and Depreciation rates**

Till The year ended March 31, 2014, Depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to change depreciation at lower rates even if such lower rate were justified by the estimated useful life of the asset.

Schedule II of the Companies Act 2013 prescribes useful lives of the fixed assets which , in many cases are different from the lives prescribed under erstwhile Schedule XIV. However Schedule II allows companies to use higher / lower lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in financial statement .

Considering the applicability of Schedule II, the management has internally technically reestimated and changed, wherever necessary the useful lives and residual values of fixed assets to compute depreciation, to conform to the requirement of the Companies Act, 2013 and other consideration as applicable.

Due to this change in useful lives and residual value of assets (including intangibles) the depreciation charge depreciation charge is higher by Rs 12.46 lacs (net) for the year ended March 31,2015, of which Rs. 6,23 lacs is recognized as expenditure during construction period with a corresponding impact on carrying value of tangible fixed assets and balance Rs 6,23 lacs has been charged to Statement of Profit & Loss.

**a) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities

**b) Fixed assets**

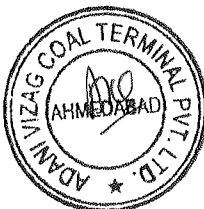
**Tangible fixed assets**

Fixed assets are stated at cost net of accumulated depreciation and impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. 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.

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

The Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



**ADANI VIZAG COAL TERMINAL PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**Intangible fixed assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

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 recognized in the statement of profit and loss when the asset is derecognized.

**c) Expenditure during project development / construction period, new project and substantial expansion**

Expenditure directly relating to construction / development activity (net of income, if any) is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is directly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto, is charged to the statement of profit and loss. Income earned during construction period is deducted from the total expenditure.

**d) Impairment of tangible and intangible assets**

(i) The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. The asset's recoverable amount is the higher of the asset's net selling price and value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other asset or groups of assets. Where the carrying amount of an asset 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 assessment of the time value of money and risks specific to the asset. In determining net selling price, relevant market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**e) Depreciation**

**Tangible Assets**

For assets stated in Table below, the useful lives in respect of these assets are different from the useful lives as prescribe under Part C of Schedule II of the Companies Act 2013.

Assets	Estimated useful life
Building RCC frame structure- Building	27 years as per concession agreement
Marine structure & dredged channel	27 years as per concession agreement
Nylon coated belt on conveyor - Plant and machinery	4 years
Fender - Marine structures	10 years
Carpeted roads - Building	10 years

At the end of the concession agreement, all contracted immovable and movable assets shall be transferred to and shall vest in Visakhapatnam Port Trust ("VPT") for Nil consideration. Accordingly, residual value of such assets at the end of concession period is considered as Nil.

**Intangible Assets**

Intangible assets are amortized on straight line basis over the estimated useful economic life as follows:

Intangible Assets	Estimated useful life
Softwares	5 years or useful life whichever is less

**f) Borrowing Costs**

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings over the loan period.

Borrowing costs directly attributable to the acquisition / construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective assets. All other borrowing costs are charged to statement of profit and loss.

**g) Leases**

**Where the Company is the lessee**

Leases, wherein the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**h) Inventories**

Stores and Spares are valued at lower of cost and net realisable value. Cost is determined on a moving weighted average basis. Net realisable value is the estimated current procurement price in the ordinary course of the business.



**ADANI VIZAG COAL TERMINAL PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**i) Investments**

Investment, which are readily realizable and intended to be held for not more than a year from the date on which such investment are made, are classified as current investment. All other classified as long term investment.

On initial recognition, all investment are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. 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.

On disposal of an investment, the difference between carrying amount and net disposal proceeds is debited or credited to the statement of profit and loss.

**j) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**i) Income from services:**

Revenue from port operations services, coal handling and storage are recognized on proportionate completion method basis based on the service performed. The amount recognised as revenue is exclusive of service tax and education cess where applicable.

**ii) Dividends:**

Dividend income is recognised when the company's right to receive payment is established by the reporting date.

**iii) Interest:**

Interest is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

**k) Terminal royalty**

The terminal royalty is computed and paid at specified percentage of gross revenue to the concessioning authority based on terms and conditions of the Concession Agreement.

**l) Foreign Currency Translation**

**i) Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**ii) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**iii) Exchange Differences**

The Company accounts for exchange differences arising on translation / settlement of foreign currency monetary items as below:

(a) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised from the cost of assets and are depreciated over the remaining useful life of the assets.

(b) All other exchange differences are recognised as income or as expenses in the period in which they arise.

For the purpose of (a) and (b) above, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. The exchange differences arising on long-term foreign currency monetary items are adjusted to the carrying cost of that assets.

**m) Retirement and Other employee benefits**

**i) Provident fund**

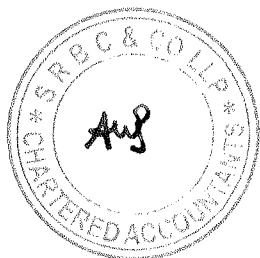
Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

**ii) Gratuity**

Gratuity liability is defined benefit obligation and is provided based on actuarial valuation on projected unit credit method made at the end of each financial year.

**iii) Compensated leave benefits**

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents entire leave as current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.



**ADANI VIZAG COAL TERMINAL PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**n) Income Taxes**

Tax expense comprises 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences 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 realized. 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 realized against future taxable profits.

As per provision of the Income-tax Act, 1961 enacted in India, the company is eligible for a tax holiday under section 80IA for a block of 10 consecutive assessment years out of 15 year from the beginning of port operation. The current year is first year of Company's operation and it will start claiming tax holidays in the subsequent years. No deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

**o) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

**p) Provisions**

A provision is recognized when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on best management estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best management estimates.

**q) Segment Reporting Policies**

The Company is engaged in business of operating and maintaining port and related infrastructure. The business has single segment in terms of Accounting Standard-17 on Segment Reporting issued by the Institute of Chartered Accounts of India.

**r) Cash and Cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**s) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.



ADANI VIZAG COAL TERMINAL PRIVATE LIMITED  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

3 Share capital

	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
<b>Authorised shares</b>		
1,05,00,00,000 (Previous Year 50,00,000) equity shares of ₹ 10 each	10,500.00	500.00
	<b>10,500.00</b>	<b>500.00</b>
<b>Issued, subscribed and fully paid-up shares</b>		
101,280,000 (Previous Year 48,00,000) fully paid up equity shares of ₹10 each.	10,128.00	480.00
	<b>10,128.00</b>	<b>480.00</b>

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

	March 31, 2015		March 31, 2014	
	No. in Lacs	₹ in Lacs	No. in Lacs	₹ in Lacs
At the beginning of the year	48.00	480.00	48.00	480.00
Issued during the year	964.80	9,648.00	-	-
<b>Outstanding at the end of the year</b>	<b>1,012.80</b>	<b>10,128.00</b>	<b>48.00</b>	<b>480.00</b>

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 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, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

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 are as below:

	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
<b>Adani Ports and Special Economic Zone Limited, the holding Company and its nominees</b>		
10,12,80,000 equity shares (Previous Year 48,00,000) of 10 each fully paid	10,128.00	480.00

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

	March 31, 2015		March 31, 2014	
	No. in Lacs	% Holding	No. in Lacs	% Holding
<b>Equity shares of Rs.10 each fully paid</b>				
Adani Ports and Special Economic Zone Limited, the holding company and its nominees	1,012.80	100.00%	48.00	100.00%

4 Reserves and surplus

	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
<b>Deficit in the statement of profit and loss</b>		
Balance as per last financial statements	(9.72)	(7.66)
Loss for the year	(2,025.54)	(2.06)
<b>Net deficit in the statement of profit and loss</b>	<b>(2,035.26)</b>	<b>(9.72)</b>

5 Long-term borrowings

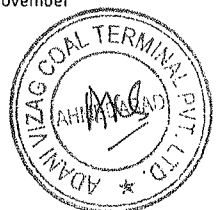
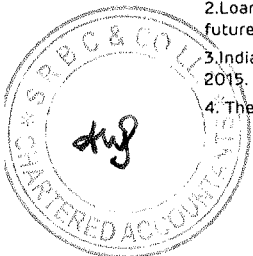
	Non-Current		Current	
	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
Inter Corporate Deposit (unsecured - refer note 23)	7,347.50	11,878.00	-	-
Indian rupee term loan from bank (secured)	16,463.70	16,630.00	166.30	-
Bills under foreign currency letter of credit from bank (secured)	-	-	5,001.46	5,334.22
	<b>23,811.20</b>	<b>28,508.00</b>	<b>5,167.76</b>	<b>5,334.22</b>
<b>The above amount includes</b>				
Secured borrowings	16,463.70	16,630.00	5,167.76	5,334.22
Unsecured borrowings	7,347.50	11,878.00	-	-
Amount disclosed under the head "other current liabilities" (refer note 7)	-	-	(5,167.76)	(5,334.22)
	<b>23,811.20</b>	<b>28,508.00</b>	<b>-</b>	<b>-</b>

1. The Inter Corporate Deposits are interest free. The amounts are borrowed in instalments and are for a period of three years from the date of borrowings respectively.

2. Loans including bills under L/C are secured on pari passu basis by first mortgage of all the immovable assets of the Company, both present and future and are further secured by hypothecation of movable assets, both present and future of the Company.

3. Indian Rupee loan carries interest @ I-Base + 2.25% p.a. (Spread). The loan is repayable in 48 quarterly instalments starting from 8th November 2015.

4. The foreign currency letter of credit carries interest 0.48% to 0.86%.



ADANI VIZAG COAL TERMINAL PRIVATE LIMITED  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

6 Trade Payables

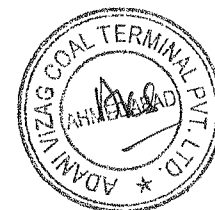
	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
Trade payables (refer note 29 for details of dues to micro, small and medium enterprises)	437.31	3.96
	<b>437.31</b>	<b>3.96</b>

7 Other current liabilities

	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
Current maturities of long term borrowings (refer note 5)	5,167.76	5,334.22
Statutory dues payable	54.08	13.88
Security deposits	8.50	1.50
Unearned income	117.44	-
Advances from customers	48.00	-
Interest accrued but not due on borrowings	10.05	27.74
Share application money pending allotment(over and above the authorised share capital)(refer note 23)	-	809.00
Capital creditors, retention money and other payable	584.16	2,086.91
	<b>5,989.99</b>	<b>8,273.25</b>

8 Provisions

	Non-Current		Current	
	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
Provision for gratuity	2.29	0.16	-	-
Provision for compensated absences	-	-	5.92	0.05
	<b>2.29</b>	<b>0.16</b>	<b>5.92</b>	<b>0.05</b>



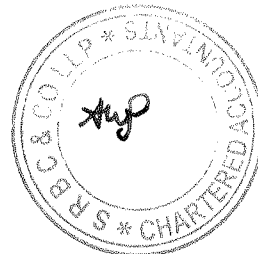
Note 9 - Fixed asset

₹ In Lacs

	Gross Block						Depreciation/Amortization			Net Block	
	April 01, 2014	Additions	Adjustment for fluctuation in foreign currency	Adjustment for borrowing cost	March 31, 2015	April 01, 2014	During the year	March 31, 2015	March 31, 2015	March 31, 2014	
<b>Tangible Assets</b>											
Building	10.69	4,003.31	-	338.09	4,352.09	10.40	92.98	103.38	4,248.71	0.29	
Office Residential flats	15.30	-	-	-	15.30	0.28	0.30	0.58	14.72	15.02	
Plant & Machinery	14.64	23,452.88	(1,210.85)	1,235.04	23,491.71	1.22	815.76	816.98	22,674.73	13.42	
Furniture & Fixtures	11.51	18.30	-	-	29.81	5.36	1.73	7.09	22.72	6.15	
Office Equipments	22.24	55.18	-	-	77.42	1.03	11.12	12.15	65.27	21.21	
Computer Equipment	21.49	99.76	-	-	121.25	5.58	19.73	25.31	95.94	15.91	
Vehicles	14.68	-	-	-	14.68	2.44	1.93	4.37	10.31	12.24	
Marine Structures	-	7,522.44	-	656.88	8,179.32	-	149.31	149.31	8,030.01	-	
<b>TOTAL</b>	<b>110.55</b>	<b>35,151.87</b>	<b>(1,210.85)</b>	<b>2,230.01</b>	<b>36,281.58</b>	<b>26.31</b>	<b>1,092.86</b>	<b>1,119.17</b>	<b>35,162.41</b>	<b>84.24</b>	
<b>Intangible Assets</b>											
Software	-	61.64	-	-	61.64	-	3.73	3.73	57.91	-	
<b>TOTAL</b>	<b>-</b>	<b>61.64</b>	<b>-</b>	<b>-</b>	<b>61.64</b>	<b>-</b>	<b>3.73</b>	<b>3.73</b>	<b>57.91</b>	<b>-</b>	
<b>Total</b>	<b>110.55</b>	<b>35,213.51</b>	<b>(1,210.85)</b>	<b>2,230.01</b>	<b>36,343.22</b>	<b>26.31</b>	<b>1,096.59</b>	<b>1,122.90</b>	<b>35,220.32</b>	<b>84.24</b>	
Previous year	82.53	28.02	-	-	110.55	8.28	18.03	26.31	84.24	74.25	

Note

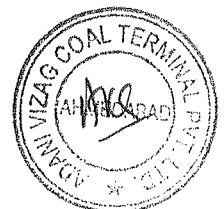
- 1) The company has capitalised the port assets on October 1, 2014 on receipt of independent engineer completion certificate.
- 2) Expenditure during construction period and trial run expense/income amounting to Rs 3149.82 lacs (note 27) has been apportioned over the above assets and capitalised during the year.
- 3) Depreciation Rs. 11.78 Lacs (Previous year Rs.18.03 lacs) has been capitalised as a part of project cost.





ADANI VIZAG COAL TERMINAL PRIVATE LIMITED  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

10 Loans and advances	Non-Current		Current	
	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
<b>Unsecured, considered good unless stated otherwise</b>				
Capital advances	15.48	536.62	-	-
(A)	15.48	536.62	-	-
Advances recoverable in cash or kind	-	-	3.87	5.70
(B)	-	-	3.87	5.70
<b>Other loans and advances</b>				
Advance income tax	30.39	0.96	-	-
Prepaid expenses	-	-	8.94	87.16
CENVAT credit receivable	145.86	1,324.57	1,542.80	395.15
Staff imprest	-	-	1.35	0.20
Deposits others	222.44	223.42	16.14	18.16
(C)	398.69	1,548.95	1,569.23	500.67
<b>Total (A+B+C)</b>	<b>414.17</b>	<b>2,085.57</b>	<b>1,573.10</b>	<b>506.37</b>
<b>11 Other assets</b>				
	Non-current		Current	
	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
Unamortised ancillary borrowing costs	392.51	426.40	33.89	33.89
Insurance receivable (refer note 30)	-	-	133.24	-
Scrap receivable	-	-	-	0.12
	392.51	426.40	167.13	34.01
<b>12 Current Investments</b>				
(Valued at lower of cost and fair value, unless stated otherwise)			March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
<b>Unquoted mutual funds</b>				
Nil (Previous Year- 7,07,992.53 Units) of ₹ 10 each in Peerless Liquid Fund - Direct Plan - Daily Dividend - Reinvest			-	70.83
Nil (Previous Year 7,082.61 Unit) of ₹ 1000 each in Pramerica Liquid Fund - Direct Plan - Daily Dividend - Reinvest			-	70.86
			-	141.69
<b>13 Inventories</b>				
			March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
Stores, spares and consumables			175.84	-
			175.84	-
<b>14 Trade receivables</b>				
			March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
Outstanding for a period less than six months. Unsecured, considered good			351.23	-
			351.23	-
<b>15 Cash and bank balances</b>				
			March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
Balances with banks:				
current accounts			45.15	22.91
Cash on hand			-	0.03
			45.15	22.94
<b>16 Revenue from operations</b>				
			March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
Income from port operations (including related infrastructure)			2,101.32	-
			2,101.32	-



ADANI VIZAG COAL TERMINAL PRIVATE LIMITED  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
<b>17 Other Income</b>		
Interest income from bank deposits and others	2.04	-
Dividend income	4.52	-
	<b>6.56</b>	<b>-</b>
<b>18 Operating expenses</b>		
Handling and storage expenses	197.54	-
Power and fuel	188.05	-
Stores, spares and consumables	41.35	-
	<b>426.94</b>	<b>-</b>
<b>19 Employees benefit expenses</b>		
Salaries, wages and bonus	82.44	-
Contribution to provident fund	4.25	-
Gratuity expenses (refer note 28)	0.91	-
Staff welfare expenses	4.85	-
	<b>92.45</b>	<b>-</b>
<b>20 Finance cost</b>		
Interest expense	1,087.86	-
Bank and other finance charges (including amortised ancillary borrowing costs)	60.47	-
	<b>1,148.33</b>	<b>-</b>
<b>21 Other Expenses</b>		
Rent and infrastructure expenses	98.82	-
Rates and taxes	78.41	0.02
Communication expenses	0.92	-
Office expenses	15.85	-
Security charges	23.35	-
Travelling and conveyance expenses	18.09	-
Professional fees	42.53	-
Repair and maintenance others	29.78	-
Insurance expenses	8.06	-
Miscellaneous expenses	12.72	-
Payment to Auditors:		
Audit fees	4.00	2.00
Other matters	0.41	0.04
	<b>332.94</b>	<b>2.06</b>
<b>22 Earnings per share (EPS)</b>		
<b>Particulars</b>	<b>March 31, 2015 ₹ in Lacs</b>	<b>March 31, 2014 ₹ in Lacs</b>
Loss as per Statement of Profit and Loss for calculation of basic and diluted EPS	(2,025.54)	(2.06)
Weighted average number of equity shares in calculating basic and diluted EPS	58,910,603	4,800,000
Basic and diluted earnings per share in rupees	(3.44)	(0.04)



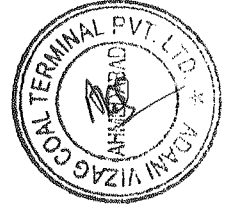
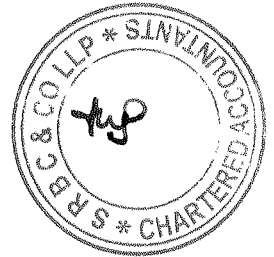
**ADANI VIZAG COAL TERMINAL PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**Note 23- Related Parties**

Criteria	Name of company
Ultimate holding company	Adani Enterprises Limited
Holding company	Adani Ports and Special Economic Zone Limited
Fellow subsidiary with whom transaction has taken place	Karnavati Aviation Private Limited Adani Murmugao Port Terminal Private Limited Adani Kandla Bulk Terminal Private Limited The Dhamra Port Company Limited Adani Logistics Limited Adani Ennore Container Terminal Private Limited G J Rao , Managing director ( from January 24, 2015)
<b>Key Management Personnel</b>	

Transaction	Name of related party	March 31,2015	March 31,2014
Other income-sale of scrap & sale of capital inventory	The Dhamra Port Company Limited	34.25	-
	Adani Ennore Container Terminal Private Limited	18.20	-
	Adani Kandla Bulk Terminal Private Limited	16.57	101.93
	Adani Murmugao Port Terminal Private Limited	-	11.96
Rendering of service	Adani Logistics Limited	379.99	-
	Adani Enterprises Limited	117.61	-
	Adani Enterprises Limited	4.97	0.05
Services availed (including reimbursement of expenses)			
	Adani Enterprises Limited	4.15	-
	Adani Ports and Special Economic Zone Limited	75.00	480.00
	Karnavati Aviation Private Limited	-	43.59
Purchase of fixed assets	Adani Ports and Special Economic Zone Limited	26.47	-
Deposit received	Adani Ports & Special Economic Zone Limited	2.00	-
Share capital issued	Adani Ports and Special Economic Zone Limited	9,648.00	-
Share application pending allotment	Adani Ports and Special Economic Zone Limited	-	829.00
Inter corporate deposit (taken)	Adani Ports and Special Economic Zone Limited	4,288.50	12,388.00
Inter corporate deposit (repaid)	Adani Ports and Special Economic Zone Limited	8,819.00	13,000.00
<b>Closing balances</b>			
Inter corporate deposit	Adani Ports and Special Economic Zone Limited	7,347.50	11,878.00
Share application money pending allotment	Adani Ports and Special Economic Zone Limited	-	829.00
Other current liabilities	Adani Ports and Special Economic Zone Limited	29.09	44.14
Trade payable	Adani Enterprises Limited	1.95	0.05
Trade receivable	Adani Logistics Limited	34.55	-
	Adani Kandla Bulk Terminal Private Limited	103.72	-
		-	0.04

1. Managing Director of the Company is in employment with the parent company . Adani Port and special economic zone limited and he is paid remuneration by parent company.



ADANI VIZAG COAL TERMINAL PRIVATE LIMITED  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

24 Capital commitments and contingent liability

Capital commitments		(₹ In Lacs)	
Particulars	March 31, 2015	March 31, 2014	
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	94.77	1,069.92	
Contingent liabilities		(₹ In Lacs)	
Particulars	March 31, 2015	March 31, 2014	
Statutory claim against company not acknowledged as debt	46.27	46.27	
The Company has imported capital goods under the Export Promotion Capital Goods Scheme of the Government of India at concessional rate of custom duty by undertaking obligation to export. Future outstanding export obligation under the scheme is pending of ₹ 14,011.68 Lacs (Previous Year ₹ 14,011.68 Lacs) which is equivalent to 6 times of total duty saved ₹ 2,335.28 Lacs (Previous Year ₹ 2,335.28 Lacs). The export obligation has to be completed by 2019-20.	2,335.28	2,335.28	

25 Supplementary statutory information

a) Expenditure in foreign currency (accrual basis)

(₹ In Lacs)		
Particulars	March 31, 2015	March 31, 2014
Design and consultancy	-	25.36
Interest	39.92	22.15

b) CIF value of imports:

(₹ In Lacs)		
Particulars	March 31, 2015	March 31, 2014
Capital goods	-	8,348.29

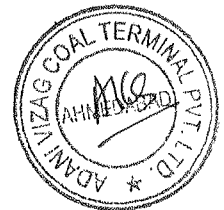
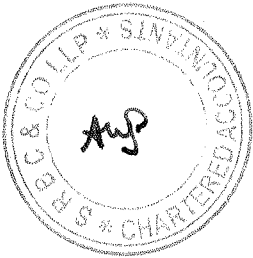
26 Unhedged foreign currency exposure

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 (₹ in Lacs)	Foreign currency (In Lacs)	Amount (₹ in Lacs)	Foreign currency (In Lacs)
Bills Under Letter of Credit	5,001.46	Euro 74.44	5,334.22	EURO 64.51
Interest accrued but not due	4.47	Euro 0.07	22.15	EURO 0.26
Capital Creditors, Retention Money And Other Payable	-	-	0.80	EURO 0.01
	-	-	830.10	EURO 9.93

Closing rates as at March 31, 2015:  
INR / EURO = 67.19

Closing rates as at March 31, 2014:  
INR / EURO = ₹ 82.69



ADANI VIZAG COAL TERMINAL PRIVATE LIMITED  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

27 Capitalisation of expenditure

During the year, the company has capitalised the following costs / expenses including borrowing cost which are specifically attributable to construction of project and are included to the cost of fixed asset / capital work-in-progress (CWIP).

Particulars	₹ in Lacs	
	March 31, 2015	31 March 2014
<b>A. Capital Work in Progress</b>		
<b>Opening Balances</b>	<b>32,106.65</b>	<b>8,707.24</b>
<b>Direct Cost</b>		
Material cost (including forex gain of Rs 445.51 lacs, Previous Year: 434.32 lacs)	224.88	18,989.07
Project services	1,366.82	4,410.34
<b>Total Capital Work in Progress [A]</b>	<b>33,698.35</b>	<b>32,106.65</b>
<b>B. Expenditure during Construction Period:</b>		
<b>Opening Balances</b>	1,643.03	220.72
<b>Other Expenses</b>		
Land lease rent to Visakhapatnam Port Trust	59.68	219.17
Legal and professional expenses	26.23	69.65
Rent expenses	-	5.07
Rates and taxes	11.46	-
Electricity charges	-	68.97
Travelling and conveyance	12.59	68.20
Repairs and maintenance	22.44	0.93
Depreciation	11.78	18.03
Salaries, Wages & Bonus	86.49	17.56
Staff welfare expense	6.84	13.83
Contracted manpower charges	-	32.15
Security expenses	25.50	32.15
Insurance Expenses	13.56	17.64
Bank Charges	-	20.34
Miscellaneous expenses	11.33	8.37
	<b>1,930.93</b>	<b>812.78</b>
<b>Other income</b>		
(Less): Dividend Income	(0.31)	(4.13)
(Less): Interest income on fixed deposits	-	(9.57)
(Less): Sale of Scrap	(40.15)	(124.77)
	<b>(40.46)</b>	<b>(138.47)</b>
<b>Financial Expenses</b>		
Interest Expenses	1,206.60	907.97
Finance Charges	29.83	43.80
Amortisation of Loan Processing charges	16.94	16.95
	<b>1,253.37</b>	<b>968.72</b>
<b>Total expenditure during construction period [B]</b>	<b>3,143.84</b>	<b>1,643.03</b>
<b>C. Trial run expenses/income</b>		
<b>Trial run Income</b>		
Income from port operations	(465.59)	-
<b>Trial run expense</b>		
Royalty charges paid to VPT	228.23	-
Consumption of stores and spares	49.45	-
Electricity Charges	84.71	-
Contracted manpower charges	33.52	-
Commission Charges	23.63	-
Other Expenses	52.03	-
<b>Loss/(Gain) from trial run [C]</b>	<b>5.98</b>	<b>-</b>
<b>Project Stock [D]</b>	-	<b>224.81</b>
<b>Transfer to Assets[E]</b>	<b>36,848.17</b>	-
<b>Capital work in progress [A+B+C+D-E]</b>	<b>-</b>	<b>33,974.49</b>



**28 Details of employee benefits**

The Company has a defined gratuity plan, which is unfunded. Every employee gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the obligation status and amounts recognised in the balance sheet for the respective plans.

**Gratuity**

**Statement of profit and loss**

a) Net employee benefit expense (recognised in employee cost)

Particulars	₹ In Lacs	
	Gratuity (unfunded)	
	March 31, 2015	
Current service cost	2.13	
Interest cost on benefit obligation	-	
Net benefit expense	2.13	
Transfer to Expenditure during construction	1.22	
Charged to statement of profit & loss	0.91	

**Balance Sheet**

b) Details of provision for gratuity

Particulars	₹ In Lacs	
	Gratuity (unfunded)	
	March 31, 2015	
Present value of defined benefit obligation	2.29	
Fair value of plan assets	-	
Surplus/(deficit) of funds	(2.29)	
Net asset / (liability)	(2.29)	

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

Particulars	₹ In Lacs	
	Gratuity (unfunded)	
	March 31, 2015	
Defined benefit obligation at the beginning of the year	0.16	
Current service cost	2.13	
Defined benefit obligation at the end of the year	2.29	

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

Particulars	₹ In Lacs	
	Gratuity (unfunded)	
	March 31, 2015	
1. Discount rate	7.96%	
2. Rate of escalation in salary (per annum)	8.50%	
3. Mortality	Indian assured lives mortality (2006-08)	
4. Attrition rate	For service 4 year and below 10% .For service 5 year and above 1%	

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.

e) Amounts for the current year are as follows:

Gratuity	₹ in Lacs	
	2014-15	
Defined benefit obligation	2.29	
Surplus / (deficit)	(2.29)	
Experience adjustment plan liabilities - loss	-	

f) Previous year the gratuity liability was determined based on management estimate and not through actuarial valuation, hence corresponding amount not disclosed.

**29 Disclosures under MSMED Act**

Based on the information and supplier's profile available with the company as at March 31, 2015, the management believes that no supplier is covered under the Micro, Small and Medium Enterprises Development Act, 2006. As a result, no interest provision or payments have been made by the Company to such suppliers, if any, and no disclosures thereof are made in these accounts.

**30**

The Company has recognised the insurance claim receivable of Rs.133.24 lacs to the extent of expenditure incurred to restore/repair the damage of port assets caused by Hud Hud cyclone on October 11 and 12, 2014. The claim amount has been recognised based on preliminary estimate. The Company believes that the amount recognised is fully recoverable as the expected amount of cost to restore/repair the damage is much higher.



**ADANI VIZAG COAL TERMINAL PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**31** The Company has obtained specific approvals from custom authorities for cargo vessels handled during the period May 17, 2014 to October 20, 2014 i.e. prior to customs approval specifying the area of terminal boundaries with effect from October 21, 2014.

**32 Previous year comparatives**

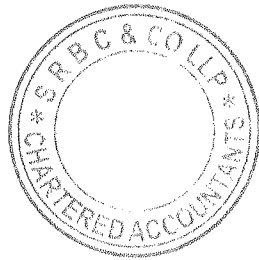
Previous year's figures are not comparable to current year's figures, since the Company commenced the commercial port operations with effect from October 1, 2014. Previous year figures have been regrouped / reclassified, where necessary, to confirm to this year's classification.

As per our report of even date

For SRBC & CO LLP  
ICAI Firm Registration No.: 324982E  
Chartered Accountants

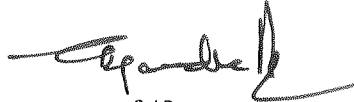


per Arpit K. Patel  
Partner  
Membership No. 34032

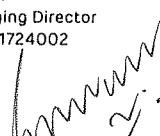


Place: Ahmedabad  
Date : April 27, 2015

For and on behalf of the board of directors of  
Adani Vizag Coal Terminal Private Limited



G J Rao  
Managing Director  
DIN :01724002

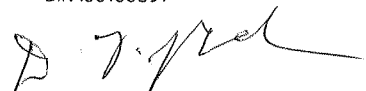


Satya Prakash Mishra  
Chief Financial Officer

Place: Ahmedabad  
Date : April 27, 2015



B. Ravi  
Director  
DIN :00160891



Dipti Shah  
Company Secretary

