S R B C & CO LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Adani Hazira Port Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Adani Hazira Port Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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 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 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 and Companies (Accounting Standards) Amendment Rules, 2016 . 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 control 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.

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. 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, 2016, its profit, 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in 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;

(e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27 to the financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 8 to the financial statements

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

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E

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per Arpit K Patel
Partner
Membership Number: 34032
Place of Signature: Ahmedabad
Date: April 27, 2016

Annexure 1 referred to in paragraph on Report on Other Legal and Regulatory Requirements of our report of even date
Re: Adani Hazira Port Private Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management 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. No material discrepancies were noticed on such verification.

(c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such 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, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) 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, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services rendered by the Company.

(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 tax, cess and other material statutory dues applicable to it. The provision of employees' state insurance is 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, customs 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.

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(c) According to the records of the Company, the dues outstanding of service tax on account of dispute are as follows

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service tax	386.55	October 2010 to March 2011	The Commissioner of Service Tax, Ahmedabad
		278.08	2012-13	The Commissioner of Service Tax, Ahmedabad
		220.17	2013-14	The Commissioner of Service Tax, Ahmedabad
		480.00	2014-2015	The Commissioner of Service Tax, Ahmedabad

(viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company has not issued debenture and do not have any outstanding dues to government during the year.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management and on an overall examination of the balance sheet, we report that , monies raised by the company by way of term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in liquid investments payable on demand. The maximum amount of idle/surplus funds invested during the year was ₹ 52,445.40 lacs, of which ₹ 18,508.60 was outstanding at the end of the year. The Company has not raised any money by way of initial public offer/debt instruments and hence, not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.

(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

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(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E

per Arpit K Patel
Partner
Membership Number: 34032
Place of Signature: Ahmedabad
Date: April 27, 2016

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ADANI HAZIRA PORT PRIVATE LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Adani Hazira Port Private Limited

We have audited the internal financial controls over financial reporting of Adani Hazira Port Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E

per Arpit K Patel
Partner
Membership Number: 34032
Place of Signature: Ahmedabad
Date: April 27, 2016

ADANI HAZIRA PORT PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2016

PARTICULARS	Notes	March 31, 2016 (₹ In Lacs)	March 31, 2015 (₹ In Lacs)
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	4	71,547.00	71,547.00
Reserves and surplus	5	26,271.37	4,445.96
Sub Total		**97,818.37**	**75,992.96**
NON-CURRENT LIABILITIES			
Long-term borrowings	6	227,235.41	160,643.31
Deferred tax liabilities	7	12,374.51	4,525.25
Long-term provisions	8	-	401.08
Sub Total		**239,609.92**	**165,569.64**
CURRENT LIABILITIES			
Short-term borrowings	9	7,000.00	27,868.19
Trade payables			
(1) Total outstanding dues of micro and small enterprises	32	4.09	-
(2) Total outstanding dues of creditors other than micro and small enterprises (Refer note 34)		4,200.85	3,009.89
Other current liabilities	10	39,454.82	17,493.96
Short-term provisions	8	951.81	1,410.46
Sub Total		**51,611.57**	**49,782.50**
Total		**389,039.86**	**291,345.10**
ASSETS			
NON CURRENT ASSETS			
Fixed assets			
(i) Tangible assets	11	300,380.13	252,188.48
(ii) Intangible assets	11	2,233.18	2,341.45
(iii) Capital work-in-progress	12	19,090.84	11,991.34
		321,704.15	**266,521.27**
Non-current investments	13	2,420.25	2,425.25
Loans and advances	14	14,463.30	5,130.25
Other non current assets	15	2,080.00	2,142.12
Sub Total		**340,667.70**	**276,218.89**
CURRENT ASSETS			
Current investments	13	7.17	-
Inventories	16	2,110.26	1,456.49
Trade receivables	17	15,723.65	5,409.59
Cash & bank balances	18	19,834.20	906.11
Loans and advances	14	8,956.99	3,180.78
Other current assets	15	1,739.89	4,173.24
Sub Total		**48,372.16**	**15,126.21**
Total		**389,039.86**	**291,345.10**
Summary of significant accounting policies	3		

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 Number : 324982E
Chartered Accountants

per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : April 27, 2016

For and on behalf of the board of directors of
Adani Hazira Port Private Limited

Karan Adani
Managing Director
DIN : 03088095

A. K. Singh
Managing Director
DIN : 05249041

Azad Somani
Chief Financial Officer

Manoj Chanduka
Company Secretary

Place : Ahmedabad
Date : April 27, 2016

ADANI HAZIRA PORT PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

PARTICULARS	Notes	March 31, 2016 (₹ In Lacs)	March 31, 2015 (₹ In Lacs)
INCOME			
Revenue from operations	19	83,864.57	49,252.63
Other income	20	1,254.87	581.41
Total revenue		**85,119.44**	**49,834.04**
EXPENSES			
Operating expenses	21	17,574.71	10,393.55
Employee benefits expense	22	2,660.84	1,844.19
Depreciation and amortization expense	11	14,801.68	12,637.61
Finance costs	23	9,571.41	7,849.85
Other expenses	24	2,838.59	2,475.50
Total expenses		**47,447.23**	**35,200.70**
Profit for the year before taxation		**37,672.21**	**14,633.34**
Tax Expenses:			
- Current tax - Minimum Alternate Tax (MAT)		8,041.12	3,067.22
- Adjustment of tax relating to earlier periods		(43.59)	-
- Deferred tax charge		7,849.27	4,526.32
Profit for the year		**21,825.41**	**7,039.80**
Earning per equity share (in ₹) of nominal value of ₹10 each (31st Mar 2015 : ₹ 10)	25		
- Basic		3.05	1.00
- Diluted		3.05	0.98
Summary of significant accounting policies	3		

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 Number : 324982E
Chartered Accountants

per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : April 27, 2016

For and on behalf of the board of directors of
Adani Hazira Port Private Limited

Karan Adani
Managing Director
DIN : 03088095

A. K. Singh
Managing Director
DIN : 05249041

Azad Somani
Chief Financial Officer

Manoj Chanduka
Company Secretary

Place : Ahmedabad
Date : April 27, 2016

ADANI HAZIRA PORT PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2016

PARTICULARS	March 31, 2016 ₹ In Lacs	March 31, 2015 ₹ In Lacs
Cash flow from operating activities		
Profit before tax as per statement of profit and loss	37,672.21	14,633.34
Adjustments for:		
Depreciation & Amortisation	14,801.68	12,637.61
Interest Income	(670.30)	(2.68)
Income from Dividend	(6.61)	(19.70)
Interest Expense	9,283.00	7,455.15
Amortization of Ancillary Borrowing Cost	721.23	333.13
(Gain) / Loss on Derivatives / Swap contracts (net)	(432.82)	61.57
Profit on sale of Current Investments	(146.36)	(9.94)
Unrealized foreign exchange (gain) (net)	-	(374.44)
Unclaimed Liabilities / Excess Provision Written Back	(108.72)	(1.22)
Profit on Sale of Fixed Asset (net)	(0.28)	(0.76)
Provision for Diminution in Value of Investments in Subsidiary Company	5.00	-
Provision for Doubtful Debts (Gross)	48.23	11.12
Provision for Doubtful Debts Written Back	(11.12)	-
Operating Profit before working capital changes	**61,155.14**	**34,723.18**
Movements in working capital :		
(Increase) in Trade Receivables	(10,351.17)	(2,189.28)
(Increase) in Inventories	(964.89)	(713.51)
(Increase) / Decrease in Loans and Advances	(5,773.31)	2,259.47
Decrease / (Increase) in Other Assets	3,630.11	(2,604.10)
Increase in Other Liabilities	1,580.36	101.51
Increase in Trade Payables	1,195.05	1,471.36
Increase in Provisions	172.27	76.77
Cash generated from operations	50,643.56	33,125.40
Direct taxes paid (net)	(7,843.73)	(2,704.40)
Net cash flow from operating activities (A)	**42,799.83**	**30,421.00**
Cash flows from investing activities		
Purchase of Fixed Assets (including Capital work in progress and capital advances/deposit)	(69,493.03)	(31,620.86)
Sale of Investments in Mutual fund(net) (refer note-2)	139.19	9.94
Proceeds from Sale of Fixed Assets	1.08	12.03
(Investment) in Bank Deposits (refer note-3)	(18,500.29)	(0.64)
Interest received	25.08	2.72
Income from dividend	6.61	19.70
Net cash inflow (used in) investing activities (B)	**(87,821.36)**	**(31,577.11)**
Cash flows from financing activities		
Proceeds from Long-Term Borrowing	100,600.81	68.60
Repayment of Long-Term Borrowings	(48,257.69)	(16,580.01)
Proceeds from Inter Corporate Deposit (including short-term)	44,720.00	25,276.00
Repayment of Inter Corporate Deposit (including short-term)	(40,475.04)	-
(Loss)/gain on settlement/cancellation of Derivative Contracts	(1,298.76)	(358.81)
Interest Paid	(9,130.38)	(6,851.78)
Ancillary Borrowing costs	(709.61)	(308.51)
Net cash flow from financing activities (C)	**45,449.33**	**1,245.49**
Net increase / (decrease) in cash & cash equivalents (A + B + C)	427.80	89.38
Cash & cash equivalents at the beginning of the year	897.80	808.42
Cash & cash equivalents at the end of the year (Refer note-18)	**1,325.60**	**897.80**
Components of Cash & Cash Equivalents		
Cash on Hand	1.79	3.00
Balances with Scheduled Banks		
- on Current Accounts	1,323.81	894.80
Total cash and cash equivalents (Refer note 18)	**1,325.60**	**897.80**

Summary of significant accounting policies 3

The accompanying note are an integral part of the financial statements

(1) The Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

(2) Purchase of investment in mutual fund of ₹ 34,659.94 lacs (PY ₹ 16,259.69 lacs) and sale of investment in mutual fund of ₹ 34,799.13 lacs (PY ₹ 16,269.63 lacs)

(3) Investment in bank deposit of ₹ 68,700.29 lacs (PY ₹ 0.64 lacs) and realisation/maturity in bank deposit of ₹ 50,200 lacs (PY ₹ NIL)

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration Number : 324982E
Chartered Accountants

per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : April 27, 2016

For and on behalf of the board of directors of
Adani Hazira Port Private Limited

Karan Adani
Managing Director
DIN : 03098095

A. K. Singh
Managing Director
DIN : 05249041

Azad Somani
Chief Financial Officer

Manoj Chanduka
Company Secretary

Place : Ahmedabad
Date : April 27, 2016

1 Corporate information

Adani Hazira Port Private Limited ('the Company','AHPPL') was incorporated on December 7, 2009 as a 100% subsidiary of Adani Ports & Special Economic Zone Limited. The Company has developed/developing Bulk / General Cargo Terminal(s) and associated infrastructure facilities at Hazira in terms of Bulk / General Cargo Terminal Agreement (BGCTA or Sub-concession) dated November 25, 2010 entered between Hazira Port Private Limited (Licensor), the Company (Licensee) and Gujarat Maritime Board (GMB). The Sub-concession agreement is as per the concession agreement between the licensor,GMB and Government of Gujarat (GoG) on April 22, 2002 for development and construction of port facilities at Hazira in the phased manner. The Port facilities are being developed under design, construct, own, maintain and operate basis under the Sub-Concession Agreement, which would be effective over the balance term of the Concession agreement of 30 years from March, 2005.

The commercial operation of the port facilities were commenced from February , 2013 although company continue to expand the port infrastructure.

2 Basis of Preparation

The financial statements of the Company have been prepared in accordance with the 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 together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and 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.

3 Summary of Significant Accounting Policies

a) Change in Accounting Policy

(i) Component Accounting

The company has adopted component accounting as required under Schedule II to the Companies Act, 2013 and AS 10, from 1 April 2015. The company was previously not identifying components of tangible assets separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of tangible assets.

Due to application of Schedule II to the Companies Act, 2013 and AS10 , the company has changed the manner of depreciation for its tangible assets. Now, the company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The company has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. If a component has zero remaining useful life on the date of component accounting becoming effective, i.e., 1 April 2015, its carrying amount, after retaining any residual value, is charged to the statement of profit and loss. The carrying amount of other components, i.e., components whose remaining useful life is not nil on 1 April 2015, is depreciated over their remaining useful lives.

Had the company continued to use the earlier policy of depreciating tangible assets, its financial statements for the period would have been impacted as below:

Depreciation for the current period would have been lower by ₹ 1,019.11 lacs. Profit for the current period would have been higher by ₹ 801.57 lacs (net of tax impact of ₹ 217.54 lacs) . Tangible assets value would correspondingly have been higher by ₹ 1,019.11 lacs.

On the date of component accounting becoming applicable, i.e., April 1, 2015, there was no component having zero remaining useful life. Hence, no amount has been directly adjusted against retained earnings.

(ii) Derivative Accounting

From the current financial year, the Company has early adopted the "Guidance Note on Accounting for Derivative Contracts" issued by the Institute of Chartered Accountants of India, (except the guidance related to hedge accounting) which requires recognition of all derivative contracts on the balance sheet and are measured at fair value. Had the Company followed the same accounting policy as in the previous year, the net profit for the year ended 31st March 2016 would have been lower by ₹ 529 lacs.

iii) Classification of items of Stores and Spares

The stand-by and servicing equipment should normally be capitalized as plant & machinery. It required that machinery spares are usually treated as inventory and charged to profit or loss on consumption. However, spares parts that can be only used in connection with a particular item of plant & machinery and whose use is expected to be irregular, are capitalized. Such spare parts are depreciated over a period, not exceeding the remaining useful life of the principal asset.

The company has changed its accounting policy of plant & machinery. During the year, company has capitalised certain stores and spares as a tangible asset at its carrying amount and depreciated prospectively over its remaining useful life.

Had the company continued to use the earlier policy of classifying stores and spares as inventories, its financial statements for the period would have been impacted as below:
Inventories would have been higher by ₹ 311.12 lacs , Tangible fixed assets have been lower by ₹ 311.12, depreciation would have been lower by ₹ 19.38 lacs, and profit before tax for the current period would have been higher by ₹ 19.38 lacs.

b) 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 the 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 in future periods.

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c) Tangible Fixed Assets

(i) Tangible Fixed assets including capital work in progress 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 directly attributable cost of bringing the asset to its working condition for its intended use. When significant parts of tangible fixed assets are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(ii) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing 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.

(iii) 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. The depreciation on such foreign exchange difference is recognized from first day of the financial year.

(iv) Gains or losses arising from derecognition/sale proceeds of fixed 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.

(v) Items of stores and spares that meet the definition of tangible asset are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

(vi) The company identifies and determines cost of each component /part of the asset separately , if the component /part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

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

Expenditure directly relating to construction / development activities (net of income, if any) is capitalized. Indirect expenditure incurred during the construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly 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.

e) Depreciation on Tangible assets

i) Depreciation on fixed asset is calculated on Straight Line basis using the rate arrives at, based on the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013 except for the assets mentioned in para (ii) below for which useful lives estimated by the management as independently evaluated by experts.

ii)

Category	Assets	Estimated Useful Life
Lease Hold Land /Lease hold Land Development	Leasehold Land Development	Over the balance period of Sub Concession Agreement effective from 25th November, 2010 entered with Gujarat Maritime Board and Hazira Port Private Limited.
Marine Structures	Marine Structure, Dredged Channel, Building RCC Frame Structure	50 Years as per Sub-concession agreement
Marine Structures	Fender, Buoy installed at Jetty - Marine Structures	5 - 10 Years
Bridges, Drains & Culverts	Bridges, Drains & Culverts	25 Years as per Sub-concession agreement
Building	Carpeted Roads Non Carpeted Roads	10 Years 3 Years
Tugs & Boats	Tugs - Other than outfitting items Tug - Outfitting items	20 Years as per Sub-concession agreement 15 Years
Plant and Machinery	RMQC Crane Dredger - Still Hull , Machinery Dredger - Outfitting & Dredging equipments Liquid Terminal Pipeline & Tanks	20 Years 17 Years 10- 12 years 20 Years

(iii) At the end of the sub-concession agreement, all contracted immovable and movable assets shall be transferred to and shall vest in Gujarat Maritime Board ('GMB') for consideration equivalent to the Depreciated Replacement Value (the 'DRV'). Currently DRV is not determinable, accordingly, residual value of contract asset is considered to be the carrying value , based on useful life as per schedule II of the Companies Act,2013/estimated by the management at the end of Sub-concession period.

(iv) The residual value, useful lives and method of depreciation of tangible fixed assets are revalued at each financial year end and adjusted prospectively if applicable.

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f) Intangible 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.

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

Intangible Assets	Estimated Useful Life (Years)
Softwares	5 Years or useful life whichever is less.
Right of use to develop and operate the port facilities	Over the balance period of Sub Concession Agreement effective from 25th November, 2010 entered with Gujarat Maritime Board and Hazira Port Private Limited.

The amortization period and the amortization method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

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.

g) 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 its 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, recent market transactions are taken in to 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.

h) Leases

Where the Company is the lessee

Leases, where 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.

Where the Company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss.

i) Inventories:

Stores and Spares are valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis. Stores and spares which do not meet the definition of plant & machinery, are accounted as Inventory.Net realizable value is the estimated current procurement price in the ordinary course of the business.

j) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Income from Services:
Revenue from port operation services, cargo handling and storage etc. are recognized on proportionate completion method basis based on the service performed. The amount recognized as revenue is exclusive of service tax and cess where applicable.

Port facility fees:
Revenue from fees for maintenance of port facilities fees are recognized on pro-rata basis over the period of the contractual obligation.

Dividends:
Revenue is recognized when the share holders' right to receive payment is established by the balance sheet date.

Interest:
Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income also include interest earned from multi-year payment terms with customers and is included under the head " Other Income" in the statement of profit & loss.

k) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments . Current investments are carried 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 its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

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l) Foreign currency translations

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 difference arising on translation/settlement of foreign currency monetary items as below:

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset.
2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item.
3. All other exchange differences are recognised as income or as expenses in the period in which they arise.

For the purpose of 1 and 2 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. In accordance with MCA circular dated August 09, 2012 exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items 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.

iv) Forward Exchange Contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contracts is amortized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long term foreign currency monetary items, are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the period. Any gain/loss arising on forward contracts which are long term foreign currency monetary items is recognized in accordance with paragraph (iii) above.

v) Derivative instruments

The Company enters into derivative contracts such as Cross Currency Swaps, Foreign currency future options, Foreign currency forward contract to hedge foreign currency future transactions in respect of which firm commitment are made or which are highly probable forecast transactions not in scope of AS 11. From current year onwards, the Company has voluntarily adopted the "Guidance Note on Accounting for Derivative Contracts" issued by the Institute of Chartered Accountants of India. Accordingly, the Company for its derivatives at fair value with changes in fair value being recognised in the statement of profit and loss. All derivative contract are recognised on the balance sheet and measured at fair value.

m) Borrowing Costs

Borrowing cost includes interest and amortization 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 capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.

n) Retirement and Other Employee Benefits

i) Provident fund and superannuation fund

Retirement benefits in the form of Provident fund and Superannuation fund are defined contribution schemes and the contributions are charged to the statement of profit and loss account for the year when the contributions to the respective funds are due as employee renders the services. There are no other obligations other than the contribution payable to the respective funds.

ii) Gratuity

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has taken an insurance policy under the Group Gratuity Scheme with the Life Insurance Corporation of India "LIC" to cover the gratuity liability of the employees and amount paid/payable in respect of the present value of liability for past services is charged to the statement of profit and loss every year. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with LIC is provided for as liability in the books. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

iii) Leave Benefits

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefits. The Company measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimate that has accumulated at the reporting date.

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 of the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a 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. Short term compensated absences are provided on estimated basis.

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ADANI HAZIRA PORT PVT. LTD. AHMEDABAD

o) 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.

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 beginning of port operation. Current year is 4th year of company's operation and propose to start claiming tax holidays in the subsequent years only.

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 based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. 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 realized. In situations where the company has carry forward unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In view of Company availing tax deduction under Section 80IA of the Income Tax Act, 1961, deferred tax has been recognized in respect of timing difference, which reverse after the tax holiday period in the year in which the timing difference originate and no deferred tax (assets or liabilities) is recognised in respect of timing difference which reverse during tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the timing difference which originate first are considered to reverse first.

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 has 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 realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the guidance note on accounting for credit available in respect of minimum alternative tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement."

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 will be required to settle the obligation, a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best management estimates.

q) 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.

r) Cash and Cash equivalents

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

s) Segment Reporting Policies

The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services, the risk and return profile of individual business unit, the organizational structure and internal reporting system of the Company. The analysis of geographical segments is not required as the Company's operations are within single geographical segment i.e. India.

t) 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.

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4 Share capital

	March 31, 2016 ₹ In Lacs	March 31, 2015 ₹ In Lacs
Authorized shares		
75,00,00,000 (Previous Year 75,00,00,000) Equity Shares of ₹ 10 each	75,000.00	75,000.00
	75,000.00	**75,000.00**
Issued, subscribed and fully paid-up shares		
71,54,70,000 (Previous Year 71,54,70,000) Equity Shares of ₹ 10 each	71,547.00	71,547.00
	71,547.00	**71,547.00**

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

	March 31, 2016		March 31, 2015	
	No. in Lacs	₹ In Lacs	No. in Lacs	₹ In Lacs
At the beginning of the year	7,154.70	71,547.00	6,500.00	65,000.00
New shares issued during the year	-	-	654.70	6,547.00
At the end of the year	**7,154.70**	**71,547.00**	**7,154.70**	**71,547.00**

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries / associates are as below:

	March 31, 2016 ₹ In Lacs	March 31, 2015 ₹ In Lacs
Adani Ports and Special Economic Zone Ltd., the holding company and its nominees		
71,54,70,000 equity shares (previous year 71,54,70,000 shares) of ₹ 10 each fully paid	71,547.00	71,547.00

5 Reserves and surplus

	March 31, 2016 ₹ In Lacs	March 31, 2015 ₹ In Lacs
Surplus in the statement of profit and loss		
Balance as per last financial statements	4,445.96	(2,591.77)
Depreciation charged to retained earning (net of deferred tax)	-	(2.07)
Profit for the year	21,825.41	7,039.80
Net Surplus in the statement of profit and loss	**26,271.37**	**4,445.96**

6 Long-term borrowings

	Non-current portion		Current maturities	
	March 31, 2016 ₹ In Lacs	March 31, 2015 ₹ In Lacs	March 31, 2016 ₹ In Lacs	March 31, 2015 ₹ In Lacs
Term loans				
Foreign currency term loans from banks (Secured) (Refer Note (a) and (f) below)	134,497.65	86,250.00	9,938.25	5,625.00
Foreign currency term loans from others (Secured) (Refer Note (b) and (f) below)	67,691.80	65,893.31	2,160.38	1,358.63
Indian rupee term loans from banks (Secured) (Refer Note (c) and (f) below)	-	8,500.00	-	1,000.00
Bills under foreign currency letters of credit from Banks (Refer Note (d) below)		-	16,974.97	-
Inter Corporate Deposit (Unsecured) (Refer Note (e) below & Note 34)	25,045.96	-	-	-
Net amount	**227,235.41**	**160,643.31**	**29,073.60**	**7,983.63**
The above amount includes				
Secured borrowings	202,189.45	160,643.31	12,098.63	7,983.63
Unsecured borrowings	25,045.96	-	16,974.97	-
	227,235.41	**160,643.31**	**29,073.60**	**7,983.63**
Amount disclosed under the head "Other Current Liabilities" (Note 10)	-	-	-29,073.60	-7,983.63
	227,235.41	**160,643.31**	-	

Note (a) - Foreign currency loan carries interest in the range of LIBOR plus 2.4% to 2.6% p.a. which is repayable on quarterly basis. The part of the loan is repayable in 28 structured quarterly instalments starting from June 30, 2014 and part of the loan is repayable in 88 structured quarterly instalments starting from November 11 , 2015.
The facility is secured by first ranking pari-passu charge on all movable and immovable assets of the Company and all future revenues & receivables of the Company (save & except assets on which exclusive charge is created as stated in Note # d below) Securitization against leasehold land is pending since same is to be registered in company's name.

Note (b) - Foreign currency loan carries interest in the range of LIBOR plus 2.05% to 2.10% p.a. which is repayable on quarterly basis. The loan is repayable in 44 structured quarterly instalments starting from June, 2014.
The facility is secured by first ranking pari-passu charge on all movable and immovable assets of the Company and all future revenues & receivables of the Company (save & except assets on which exclusive charge is created as stated in Note # d below). Securitization against leasehold land is pending since same is to be registered in company's name.

Note (c) - Indian rupee loan from bank carried interest in the range of 11% to 12% p.a. which is repayable on monthly basis. The same was repaid during the year.
The facility was secured by first ranking pari-passu charge on all movable and immovable assets of the Company and all future revenues & receivables of the Company (save & except assets on which exclusive charge is created as stated in Note # d below). Securitization against leasehold land is pending since same is to be registered in company's name.

Note (d) - Letter of credit from banks carries interest in the range of LIBOR plus 0.35% to 0.45% which is repayable on maturity in 2016-17.The facility is backed by letter of comfort from holding company , Adani Port and Special Economic Zone Ltd.

Note (e) - Inter Corporate Deposit is received from Adani Ports and Special Economic Zone Ltd., the holding Company, and it carries interest rate @ 9% at the year end. The outstanding loan balance will be repayable in 5 equal annual instalments from March 31 ,2018 to March 31 ,2023 based on amended tenure of borrowings.

Note (f) - Term loans are also secured against pledge of 19,50,00,000 equity shares (Previous year - 19,50,00,000 equity shares) of the Company held by holding company and such shares are pledged to IDBI Trusteeship Services Limited representing 27.25 % (Previous year 27.25%) share of the Company.

7 Deferred tax liabilities

	March 31, 2016 ₹ In Lacs	March 31, 2015 ₹ In Lacs
Deferred tax liability		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	12,374.51	4,525.25
	12,374.51	**4,525.25**

The Company is eligible to avail benefits under section 80 IA of the Income Tax Act, 1961 on the taxable income w.e.f. FY 2017-18. Currently, the Company is liable to pay Minimum Alternative Tax (MAT) on income of the year/ period and accordingly has made provision for tax under section 115JB. The company has recognised the deferred tax liabilities of ₹12,374.51 lacs in respect of timing difference which will reverse after the tax holiday period.

8 Provisions

	Long Term		Short Term	
	March 31, 2016 ₹ In Lacs	March 31, 2015 ₹ In Lacs	March 31, 2016 ₹ In Lacs	March 31, 2015 ₹ In Lacs
Provision for gratuity (Refer Note 35)	-	-	103.92	39.53
Provision for compensated absences	-	-	213.59	115.40
Provision for taxation	-	-	624.61	426.07
Provision for mark-to-market losses on derivative contracts	-	401.08	-	829.46
Provision for Operational Claims	-	-	9.69	-
	-	**401.08**	**951.81**	**1,410.46**

9 Short-term borrowings

	March 31, 2016 ₹ In Lacs	March 31, 2015 ₹ In Lacs
Inter Corporate Deposit (Unsecured) (Refer note below & note 34)	7,000.00	27,801.00
Bills under foreign currency letters of credit from Banks	-	67.19
	7,000.00	**27,868.19**

Note - Inter Corporate Deposit is received from Adani Ports and Special Economic Zone Ltd., the holding Company at the interest rate of 9%. The loan is repayable on demand.

10 Other Current Liabilities

	Short Term	
	March 31, 2016 ₹ In Lacs	March 31, 2015 ₹ In Lacs
Current maturities of long-term borrowings (Refer note 6)	29,073.60	7,983.63
Interest accrued but not due	707.84	616.32
Interest accrued and due (Refer note 34)	61.10	-
Capital creditors, retention money and other payable (Refer note 34)	7,143.69	7,897.06
Advance from customers	934.36	446.73
Security deposits from contractors/suppliers	287.36	216.01
Unearned revenue	1,010.00	215.77
Statutory dues , Service tax , TDS etc.	236.87	118.44
	2,468.59	**996.95**
	39,454.82	**17,493.96**

Note: 11 FIXED ASSETS (₹ In Lacs)

Particulars	Gross Block						Depreciation/Amortization				Net Block	
	As at 1st April' 2015	Additions	Deductions	Adj for Foreign Exchange	Adj for Borrowing cost	As at 31st March 2016	As at 1st April' 2015	During the year	Deductions	As at 31st March 2016	As at 31st March 2016	As At 31st March' 2015
Tangible Assets												
Lease hold land development	3,485.75	437.07	-	119.66	-	4,042.48	274.92	181.09	-	456.01	3,586.47	3,210.83
Buildings, roads and civil infrastructure	30,170.62	10,084.39	-	942.69	148.38	41,346.08	2,270.25	1,573.02	-	3,843.27	37,502.81	27,900.37
Plant & machinery	108,011.02	40,928.45	-	4,538.29	507.99	153,985.75	10,839.57	7,936.57	-	18,776.14	135,209.61	97,171.45
Furniture & fixtures	555.03	141.60	3.59	-	-	693.04	139.64	54.79	2.79	191.64	501.40	415.39
Office equipments	1,052.99	137.78	-	-	-	1,190.77	144.19	241.14	-	385.33	805.44	908.81
Computer equipment	1,259.46	78.83	-	-	-	1,338.29	448.18	228.94	-	677.12	661.17	811.28
Vehicles	394.42	25.32	-	-	-	419.74	101.72	51.00	-	152.72	267.02	292.70
Tugs and boats	41,298.35	89.44	-	1,477.13	-	42,864.92	6,259.82	2,148.65	-	8,408.47	34,456.45	35,038.53
Marine structures	51,778.31	-	-	2,071.09	-	53,849.40	3,531.92	1,300.33	-	4,832.25	49,017.15	48,246.39
Dredged channels	40,154.54	-	-	1,076.94	-	41,231.48	1,961.81	897.06	-	2,858.87	38,372.61	38,192.73
TOTAL	**278,160.49**	**51,922.88**	**3.59**	**10,225.80**	**656.37**	**340,961.95**	**25,972.02**	**14,612.59**	**2.79**	**40,581.82**	**300,380.13**	**252,188.48**
Intangible Assets												
Software	523.91	80.82	-	-	-	604.73	289.75	**83.75**	-	373.50	231.23	234.16
Right of use to develop and operate the port facilities	2,335.00	-	-	-	-	2,335.00	227.71	**105.34**	-	333.05	2,001.95	2,107.29
TOTAL	**2,858.91**	**80.82**	-	-	-	**2,939.73**	**517.46**	**189.09**	-	**706.55**	**2,233.18**	**2,341.45**
Total	**281,019.40**	**52,003.70**	**3.59**	**10,225.80**	**656.37**	**343,901.68**	**26,489.48**	**14,801.68**	**2.79**	**41,288.37**	**302,613.31**	**254,529.93**
Previous Year	237,639.33	37,017.89	12.07	6,374.25	-	281,019.40	13,849.52	12,640.75	0.80	26,489.48	254,529.93	223,789.81

1. Electrical Installation includes costs of ₹ 1,178.01 lacs (Previous year ₹ 1,178.01 lacs) and accumulated depreciation of ₹ 147.98 lacs (Previous Year ₹ 90.52 lacs) for setting up of 66 KVA Infrastructure facilities to enable power connection to the port facilities.
2. Loaders (2 no.) purchased by the Company are pending registration in the name of the Company. Assets value ₹ 45.46 lacs (Previous Year ₹ 45.46 lacs) and accumulated depreciation ₹ 9.69 lacs (Previous Year ₹ 6.72 lacs).
3. The Company had reclaimed total 230 hectares of land for its port activities. The Company had developed these land area through dredging activities and an amount of ₹ 1,958.74 lacs (Previous year ₹ 1,958.74 lacs) is capitalized as leasehold land development.
4. Plant and machinery includes construction equipments of Gross value of ₹ 9.68 lacs (Previous Year ₹ 9.68 lacs) and accumulated depreciation of ₹ 2.57 lacs (Previous Year ₹ 2.57 lacs). Buildings, Roads and Civil Infrastructure includes temporary erection i.e. site office of the value of ₹ 313.87 lacs (Previous year ₹ 313.87 lacs) and accumulated depreciation of ₹ 313.87 lacs (Previous year ₹ 313.87 lacs), which are mainly used for construction activities.
5 Plant and machinery includes Electrical Installation of ₹ 13,497.87 lacs (Previous Year ₹ 10,477.58 lacs) and accumulated depreciation of ₹ 2,305.15 lacs (Previous Year ₹ 1,178.64 lacs).
6. The Company also provide liquid cargo storage facilities on long term lease basis. Such assets are classified as part of Plant and Machinery.(Refer note 37)

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ADANI HAZIRA PORT PVT. LTD. AHMEDABAD

12 Capital Work in Progress includes expenditure during construction period and Capital inventory, details of which are as follows:

(₹ In Lacs)

	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
A.	**Material & services (Project Expenditure)**	**15,236.59**	**5,632.49**
B.	**Capital Inventory**	**3,814.48**	**6,358.85**
C.	**Expenditure during construction period :**		
	Power & fuel	72.04	52.56
	Sub Total	**72.04**	**52.56**
	Financial expenses		
	Interest on loans	1,474.76	-
	Sub Total	**1,474.76**	**-**
	Total Expenditure	**1,546.80**	**52.56**
	Income		
	Interest income on bank deposits	(810.50)	-
	Scrap sales	(79.93)	(71.74)
	Sub Total	**(890.43)**	**(71.74)**
	Total	**656.37**	**(19.18)**
	Amount capitalized during the year	616.60	(19.18)
	Balance Carried Forward Pending Allocation / Capitalisation (C)	39.77	-
	Total Capital work in progress (A + B + C)	**19,090.84**	**11,991.34**

13 Investments

	Non-Current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs
Trade investments (valued at cost unless stated otherwise)				
Unquoted equity shares				
2,42,00,000 (Previous Year - 2,42,00,000) fully paid equity shares of ₹ 10 each of Hazira Infrastructure Pvt. Ltd.	2,420.00	2,420.00	-	-
50,000 (Previous Year - 50,000) fully paid Equity shares of ₹ 10 each of Hazira Road Infrastructure Pvt. Ltd.	5.00	5.00	-	-
Less : Diminution in value of investment of Hazira Road Infrastructure Pvt. Ltd.(Refer note 36)	(5.00)	-	-	-
	2,420.00	**2,425.00**	**-**	**-**
Non-Trade investments (valued at cost, unless stated otherwise)				
Investment in Mutual funds (Unquoted) (refer note 2 below) (valued at lower of cost and fair value) (355.93 units (Previous year NIL) of ₹ 10 each in Reliance Money Manager Fund - Direct growth plan)	-	-	7.17	-
Investment in Government securities (Unquoted) (Investment has been pledged with government authority and are in the name of Director of the company)	0.25	0.25	-	-
	0.25	**0.25**	**7.17**	**-**
	2,420.25	**2,425.25**	**7.17**	**-**

Note 1 : Aggregate cost of unquoted non-current investments ₹ 2,420.25 lacs (Previous year ₹ 2,425.25 lacs).
Note 2 : Net asset value of current investment is ₹ 7.47 lacs (Previous year NIL).

S R B C & CO LLP * CHARTERED ACCOUNTANTS

ADANI HAZIRA PORT PVT. LTD. * AHMEDABAD

14 Loans and advances

	Non-Current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs
Capital advances				
Secured, considered good (Refer note below)	255.85	220.32	-	-
Unsecured, considered good	642.75	1,387.08	-	-
(A)	**898.60**	**1,607.40**	-	-
Advance given for land (Refer note 26)	1,822.55	1,822.55		
(B)	**1,822.55**	**1,822.55**		
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	3,132.43	185.35
(C)	-	-	**3,132.43**	**185.35**
Other loans and advances				
Tax deducted at source	1,588.20	1,543.45	-	-
Prepaid expenses	-	-	24.49	109.99
Loans to employees	3.70	4.57	9.23	9.27
Balance with statutory/government authorities	-	-	3,214.00	2,851.86
Deposit - others (Refer note 34)	10,150.25	152.28	2,576.84	24.31
(D)	**11,742.15**	**1,700.30**	**5,824.56**	**2,995.43**
Total (A+B+C+D)	**14,463.30**	**5,130.25**	**8,956.99**	**3,180.78**

Note: The company has received bank guarantee of ₹ 255.85 lacs (Previous year - ₹ 220.32 lacs) against Capital advances.

15 Other Current Assets

	Non-Current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs
Interest accrued on deposits/trade receivable (Refer note 34)	-	-	645.22	-
Unamortized ancillary borrowing costs	2,080.00	2,142.12	383.63	333.13
Gain on derivative contracts(net) (Refer note 23)	-	-	501.04	-
Accrued revenue	-	-	210.00	953.03
Non trade receivables	-	-	-	2,887.08
Total	**2,080.00**	**2,142.12**	**1,739.89**	**4,173.24**

16 Inventories (valued at lower of cost and net realizable value)

	March 31, 2016	March 31, 2015
	₹ In Lacs	₹ In Lacs
Stores and spares (Refer note - 3 (a) (iii))	2,110.26	1,456.49
Total	**2,110.26**	**1,456.49**

17 Trade receivables

	March 31, 2016	March 31, 2015
	₹ In Lacs	₹ In Lacs
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	7,467.50	173.16
Considered doubtful	48.23	11.12
	7,515.73	**184.28**
Provision for doubtful receivables	(48.23)	(11.12)
	7,467.50	**173.16**
Other receivables	8,256.15	5,236.43
Total	**15,723.65**	**5,409.59**
Includes due from related parties outstanding (refer note 34)		
Considered good	12,203.07	3,645.92

18 Cash and bank balances

	March 31, 2016	March 31, 2015
	₹ In Lacs	₹ In Lacs
Cash and cash equivalents		
Balances with banks:		
On current accounts	1,323.81	894.80
Cash on hand	1.79	3.00
	1,325.60	**897.80**
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	18,500.00	-
Margin money deposit (Refer note below)	8.60	8.31
Total	**19,834.20**	**906.11**

Note : Margin money deposits includes ₹ 8.60 lacs (previous year ₹ 8.31 lacs) being pledged/lien against bank guarantees.

19 Revenue from operation

		March 31, 2016 ₹ In Lacs	March 31, 2015 ₹ In Lacs
Revenue from operations			
Port terminal services and cargo handling income		77,603.00	43,492.45
Other Operating Income		6,261.57	5,760.18
	Total	**83,864.57**	**49,252.63**

20 Other Income

		March 31, 2016 ₹ In Lacs	March 31, 2015 ₹ In Lacs
Rent income		11.67	22.54
Dividend from on Current Investment		6.61	19.70
Interest Income from:			
Bank Deposits		31.54	2.68
Customers and others		638.76	-
Profit on sale of Current Investments		146.36	9.94
Unclaimed liabilities / Excess Provision Written Back		108.72	1.22
Provision for Doubtful Debts Written Back		11.12	-
Gain on Foreign Exchange differences (net)		8.11	369.73
Profit on Sale of Fixed Asset (net)		0.28	0.76
Miscellaneous Income		291.70	154.84
	Total	**1,254.87**	**581.41**

21 Operating Expenses

		March 31, 2016 ₹ In Lacs	March 31, 2015 ₹ In Lacs
Cargo handling charges to contractors		9,955.88	4,615.39
Tug and Pilotage Charges		497.94	557.01
Maintenance Dredging cost		531.74	864.82
Repairs to Plant & Machinery		710.35	498.35
Stores and Spares consumed		1,178.42	931.93
Power & Fuel		3,123.39	2,157.41
Waterfront Royalty		1,576.99	768.64
	Total	**17,574.71**	**10,393.55**

22 Employee benefits expense

		March 31, 2016 ₹ In Lacs	March 31, 2015 ₹ In Lacs
Salaries, Wages and Bonus		2,146.19	1,543.54
Contribution to Provident and Other Funds		108.97	82.81
Gratuity Expenses (Refer note 35)		106.88	60.55
Workmen and staff welfare expenses		298.80	157.29
	Total	**2,660.84**	**1,844.19**

23 Finance Costs

	March 31, 2016 ₹ In Lacs	March 31, 2015 ₹ In Lacs
Interest on		
- Term loan	9,086.75	7,285.83
- Buyers credit	116.98	149.73
- Others	79.27	0.08
Finance charges (including amortization of ancillary borrowing cost)	721.23	711.45
	10,004.23	**8,147.09**
(Gain) on derivatives / swap contracts (net)	(432.82)	(297.24)
	9,571.41	**7,849.85**

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HAZIRA PORT PVT. LTD. * AD

24 Other expenses

	March 31, 2016 ₹ In Lacs	March 31, 2015 ₹ In Lacs
Rent (Refer note 30)	6.70	16.05
Communication expenses	43.37	21.20
Directors' sitting fees	1.40	-
Security Services Charges	361.09	248.91
Travelling & conveyance (refer note 1 below)	699.19	593.89
Land lease rent	135.90	135.90
Other Repairs and Maintenance	228.09	212.59
Insurance	153.88	207.67
Rates and taxes	11.43	7.00
Payment to Auditors (Refer note 3 below)	21.86	11.83
IT Support Services	24.37	28.40
Legal and Professional Expenses	315.55	277.17
Bank charges	94.89	102.71
Charity & Donations (Refer note 2 below)	84.85	-
Provision for Doubtful Debts	48.23	11.12
Provision for Diminution in value of investments in subsidiary (Refer note 36)	5.00	-
Custom Establishment Charges	210.87	192.67
Miscellaneous expenses	391.92	408.39
Total	**2,838.59**	**2,475.50**

Note 1 : Including aircraft services expenses of ₹ 354.91 lacs (previous year ₹ 327.01 lacs).

Note 2 : The company has paid ₹ 84.85 lacs (previous year NIL) towards corporate social responsibilities to Adani Foundation.

Details of Corporate Social Responsibilities	**March 31, 2016 ₹ In Lacs**	**March 31, 2015 ₹ In Lacs**
1) Gross Amount required to spent during the year	**84.85**	-

2) Amount spent during the year ended	**In Cash**	**Yet to be**	**Total**
March 31, 2016			
i) Construction/acquisition of any asset	82.00	-	82.00
ii) On purposes other than (i) above	2.85	-	2.85
Total	**84.85**	-	**84.85**
March 31, 2015			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	-	-	-
	-	-	-

Note 3 : Payment to auditors

	March 31, 2016 ₹ In Lacs	March 31, 2015 ₹ In Lacs
Audit fee	14.50	11.00
Limited review	6.30	-
Other services (certification fees)	0.75	0.45
Reimbursement of expenses	0.31	0.38
	21.86	**11.83**

25 Earnings per share (EPS)

	March 31, 2016 ₹ In Lacs	March 31, 2015 ₹ In Lacs
Profit as per Statement of profit and loss for calculation of EPS	21,825.41	7,039.80
Weighted average number of equity shares in calculating basic EPS	7,154.70	7,054.25
Effect of dilution:		
Add: Share application money pending allotment	-	100.45
Weighted average number of equity shares in calculating basic and diluted EPS	7,154.70	7,154.70
Basic earnings per share (in ₹)	**3.05**	**1.00**
Diluted earnings per share (in ₹)	**3.05**	**0.98**

S R B C & CO LLP * CHARTERED ACCOUNTANTS

ADANI HAZIRA PORT PVT. LTD. * AHMEDABAD

26 Capital and Other Commitments

(₹ In Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Capital Commitments: Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	14,565.69	31,629.60
Other Commitments:		
(i) The Company has imported capital good for its Container and Multipurpose Port Terminal Project 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 ₹ 1,46,571.86 Lacs which is equivalent to either 8 times / 6 times of duty saved of ₹ 19,537.20 Lacs. The export obligation has to be completed by 2019-20.	146,571.86	132,237.89
(ii) Long-term contract for purchasing diesel against which Interest bearing deposit given of ₹ 2,500 Lacs.	6,046.00	-
(iii) The Company has entered into agreement in financial year 2013-14 to acquire land measuring 85,553 square meter in the Hazira region as advance consideration of ₹ 1,822.55 lacs paid towards the land has been classified as capital advance. As at March 31, 2016 ,the Company do not have physical possession of the said land, although it has contractual right in the said land parcels. The management represent that as land area and location is identifiable and the transaction will be concluded on receiving necessary government approvals.	1,822.55	1,822.55
(iv) Long term arrangement for purchase EPC services. Interest bearing advance given ₹10,000 lacs.	10,000.00	-

27 Contingent Liabilities not provided for

(₹ In Lacs)

S.No	Particulars	As at	As at
a.	Show cause notice received from Commissioner of service Tax against availment of Cenvat credit / service tax credit and Education Cess on cement and steel used for construction of port project infrastructure for the period October'2010 to March'15 - ₹ 1364.80 Lacs. The Company has taken an external opinion in the matter based on which the management is of the view that currently the Company does not have any probable liability in the matter.	1,364.80	884.80
b	National Green Tribunal (Western Zone) Bench, Pune has passed an penalty order in a matter relating to environmental deficiencies observed by the Tribunal in which Company is one of the respondent. As per the order, the Company has deposited ₹ 2,500 Lacs with the Collector, Surat. The Company has appealed against the order of National Green Tribunal in Supreme Court. The management is confident based on independent consultation that no liability will devolve on the Company in this regard.	2,500.00	-
c	Bill discounted with banks.	3,990.00	-

28 (a) Derivative instruments and unhedged foreign currency exposure

The aggregate outstanding information of derivative instruments is as under:

Nature	Particulars of Derivatives		Purpose
	As at March 31, 2016 (₹ In Lacs)	As at March 31, 2015 (₹ In Lacs)	
Principal only Swap (INR-Foreign Currency)	-	INR 9,250.00 (equivalent to USD 16.61 Million)	Hedging of equivalent long term rupee loan Nil (previous year ₹ 9,250 lacs) to mitigate higher interest rate of INR loans against foreign currency loans with possible risk of principal currency losses.
Forward Contract	INR 27,648.90 (equivalent to USD 39.90 Million	-	Hedging of expected future billing based on foreign currency denominated tariff
Options	INR 13,913.55 (equivalent to USD 21.00 Million)	-	Hedging of foreign currency borrowing Principal liability

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

Nature	March 31, 2016		March 31, 2015	
	Amount (₹ In Lacs)	Foreign Currency (in million)	Amount (₹ In Lacs)	Foreign Currency (in million)
Foreign Currency Loan	200,374.53	USD 302.43	159,126.94	USD 254.60
Buyer's Credit	-	-	67.19	EURO 0.1
	16,974.97	USD 25.62	-	-
Trade Payables	-	-	8.11	USD 0.01
	22.70	EURO 0.03	58.46	EURO 0.09
	2.86	GBP 0.003	-	-
	4.78	SGD 0.01	-	-
Interest accrued but not due	-	-	0.03	EURO 0.0001
	707.83	USD 1.07	608.12	USD 0.97
Other Receivable	-	-	2,875.00	USD 4.60

Closing rates as at March 31, 2016:
INR / USD = ₹ 66.255
INR / EURO = ₹ 75.39
INR / GBP = ₹ 95.47
INR / SGD = ₹ 49.14

Closing rates as at March 31, 2015:
INR / USD = ₹ 62.50
INR / EURO = ₹ 67.19

(b) Financial risk management objectives and policies

In the ordinary course of business, the Company is exposed to risks resulting from exchange rate fluctuation and interest rate movements. It manages its exposure to these risks through derivative financial instruments. It uses derivative instruments such as Cross Currency Swaps, Interest rate swaps, foreign currency future options and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favourable and unfavourable fluctuations.

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

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

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

Interest rate risk

The Company is exposed to changes in interest rates due to financing, investing and cash management activities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company enters into interest rate swap contracts or interest rate future contracts to manage its exposure to changes in the underlying benchmark interest rates.

Foreign currency risk

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR), have an impact on the company's operating results. The Company manages its foreign currency risk by entering into currency swap for converting INR loan into other foreign currency for taking advantage of lower cost of borrowing in stable currency environment. The Company also enters into various foreign exchange contracts to mitigate the risk arising out of foreign exchange rate movement on foreign currency borrowings or trade payables. Further, to hedge foreign currency future transactions in respect of which firm commitment are made or which are highly probable forecast transactions (for instance, foreign exchange denominated income) the Company has entered into foreign currency forward contracts as per the policy of the Company.

ADANI HAZIRA PORT PVT. LTD. AHMEDABAD

29 Supplementary statutory information

a) Expenditure in Foreign Currency (accrual basis)

(₹ In Lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest expense	6,536.05	6,250.55
Ancillary cost of Borrowings	52.67	15.37
Insurance Cost	4.15	22.50

b) CIF value of imports:

(₹ In Lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Capital goods	16,384.32	148.68
Stores & Spares	175.24	263.93

c) Imported and indigenous stores and spares consumed

(₹ In Lacs)

Particulars	Consumption		% of Total Consumption	
	2015-16	2014-15	2015-16	2014-15
Imported	119.71	43.46	10.16 %	4.66 %
Indigenous	1,058.71	888.47	89.84 %	95.34 %
Total	**1,178.42**	**931.93**	100 %	100 %

30 Assets taken under operating leases – residential houses for staff accommodation, are obtained on operating leases. During the year, the Company has incurred ₹ 6.70 lacs (Previous year ₹ 16.05 lacs) towards lease rentals which has been charged to statement of profit & loss. The lease terms are generally from eleven months to thirty three months and are renewable based on mutual agreement. There is no sub-lease and the leases are cancellable in nature. There are no restrictions imposed under the lease arrangements. There is no contingent rent clause in the lease agreements.

31 The Company pays waterfront royalty applicable to private sector ports on solid, liquid and container cargo in terms of notification No. PT/3/2009/EOP/102008/G813/GH1 dated February 19, 2009 issued by Ports and Transport Department of Government of Gujarat on commencement of port operation w.e.f. February 1, 2013.The management represents that said notification is relevant for paying waterfront royalty in the first year on commencement of operation.

32 Details as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ In Lacs)

S.No.	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	4.09	Nil
	Interest	Nil	Nil
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without auding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

33 Segment information

The Company is primarily engaged in the business of developing, operating and maintaining the port and port based related infrastructure facilities. The entire business has been considered as a single segment in terms of Accounting Standard-17 on Segment Reporting issued by the Institute of Chartered Accountants of India. There being no business outside India, the entire business has been considered as single geographic segment.

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ADANI HAZIRA PORT PVT. LTD. * AHMEDABAD

34 Related Party Disclosures

The Management has identified the following entities as related parties of the Company for the purposes of reporting as per AS 18 – Related Party Transactions, which are as under:

Holding Company	Adani Ports and Special Economic Zone Ltd.
Subsidiary Companies	Hazira Infrastructure Pvt. Ltd.
	Hazira Road Infrastructure Pvt. Ltd.
Fellow Subsidiary Companies	Adani Logistics Ltd.
	Adani Kandla Bulk Terminal Pvt. Ltd.
	Adani Petronet (Dahej) Port Pvt. Ltd.
	MPSEZ Utilities Pvt. Ltd.
	Adani Murmugao Port Terminal Pvt. Ltd.
	Adani Vizag Coal Terminal Pvt. Ltd
	Karnavati Aviation Pvt. Limited
Joint Venture of holding company	Adani CMA Mundra Terminal Pvt. Ltd.
Entities over which key Management Personnel and their relatives are able to exercise Significant Influence	Adani Foundation
Entities over which major shareholders of the holding company are able to exercise Significant Influence through voting power	Adani Enterprises Ltd.
	Adani Power Maharashtra Ltd.
	Adani Bunkering Pvt. Ltd
	Adani Wilmar Ltd
Key Managerial Personnel	Mr. Anil Kishor Singh - Manager (untill May 6, 2014) Mr. Anil Kishor Singh - Whole Time Director (w.e.f. May 7, 2014 upto October 25, 2015) Mr. Anil Kishor Singh – Managing Director (October 26, 2015 onwards) Mr. Karan Adani – Whole Time Director (w.e.f. May 7 , 2014 upto January 24,2016) Mr. Karan Adani –Managing Director (January 25, 2016 onwards)

(₹ In Lacs)

Transaction/Category	Related Party	FY 2015-16	FY 2014-15
Purchase of capital goods	Adani Ports and Special Economic Zone Ltd.	12.77	28.39
	Adani Petronet (Dahej) Port Pvt. Ltd.	86.19	-
Port terminal services and cargo handling income	Adani Enterprises Ltd.	4,727.38	298.32
	Adani Logistics Ltd.	4,128.95	6,215.29
	Adani Power Maharashtra Ltd.	10,527.60	2,395.01
	Adani Bunkering Pvt. Ltd	0.42	0.49
	Adani Wilmar Ltd	135.36	-
Reimbursement of expenses (paid)	MPSEZ Utilities Pvt. Ltd.	-	0.25
	Adani Ports and Special Economic Zone Ltd.	4.27	-
	Adani CMA Mundra Terminal Pvt. Ltd.	4.00	-
	Gautambhai S. Adani Family Trust	-	2.96
Sale of capital inventory (gross)	Adani Murmugao Port Terminal Pvt. Ltd.	-	10.06
	Adani Petronet (Dahej) Port Pvt. Ltd.	0.57	1.52
	Adani Ports and Special Economic Zone Ltd.	8.67	-
Sale of asset	Adani Petronet (Dahej) Port Pvt. Ltd.	-	12.03
	Adani Ennore Container Terminal Pvt. Ltd.	1.21	
Interest Expense	Adani Ports and Special Economic Zone Ltd.	3,595.20	-
Interest Income	Adani Power Maharashtra Ltd.	437.57	-
	Adani Bunkering Pvt. Ltd	40.24	
Capital Services availed	Adani Enterprises Ltd.	100.00	1,446.67
Services availed			
- Professional fees	Adani Enterprises Ltd.	92.02	78.09
- Dredging	Adani Ports and Special Economic Zone Ltd.	1,732.06	157.00
- CFS	Adani Logistics Ltd.	513.76	412.66
- Travel	Karnavati Aviation Pvt. Ltd.	347.72	327.01
Donation	Adani Foundation	82.00	-
Borrowings (Loan taken) additional	Adani Ports and Special Economic Zone Ltd.	44,720.96	25,276.00
Borrowings (Loan repaid)	Adani Ports and Special Economic Zone Ltd.	40,476.00	-
Advances/deposit given	Hazira Road Infrastructure Pvt. Ltd.	-	2.00
Advances/deposit given	Adani Bunkering Pvt. Ltd	2,500.00	-
Advances/deposit given	Hazira Infrastructure Pvt. Ltd.	-	2.00
Advances/deposit received back	Hazira Road Infrastructure Pvt. Ltd.	-	2.00
Advances/deposit received back	Hazira Infrastructure Pvt. Ltd.	-	2.00
Equity share capital allotted during the year	Adani Ports and Special Economic Zone Ltd.	-	6,547.00
Remuneration paid	Mr. Anil Kishore Singh	135.00	90.52
	Mr. Karan Adani	120.00	18.00

S R B C & CO LLP CHARTERED ACCOUNTANTS

ADANI HAZIRA PORT PVT. LTD. AHMEDABAD

Closing Balance			
Trade Receivables	Adani Logistics Ltd.	267.33	969.63
	Adani Enterprises Ltd.	3,896.74	201.74
	Adani Power Maharashtra Ltd.	8,002.97	2,474.55
	Adani Ports and Special Economic Zone Ltd.	9.74	-
	Adani Wilmar Ltd	25.94	-
	Adani Bunkering Pvt Ltd	0.35	-
		12,203.07	**3,645.92**
Other Current Asset	Adani Petronet (Dahej) Port Pvt. Ltd.	-	12.31
	Adani Bunkering Pvt Ltd	36.22	-
	Adani Power Maharashtra Ltd.	437.57	-
		473.79	**12.31**
Loans & Advances	Adani Bunkering Pvt Ltd	2,500.00	-
	Adani Vizag Coal Terminal Pvt Ltd	0.43	-
		2,500.43	**-**
Trade Payables (including provisions)	Adani Enterprises Ltd.	21.29	87.09
	Adani Ports and Special Economic Zone Ltd.	28.62	173.26
	Adani Logistics Ltd.	137.54	118.54
	Karnavati Aviation Pvt. Ltd.	-	196.93
	Adani CMA Mundra Terminal Pvt. Ltd.	3.00	-
		190.46	**575.82**
Capital Creditors	Adani Ports and Special Economic Zone Ltd.	115.00	2,097.26
	Adani Petronet (Dahej) Port Pvt. Ltd.	0.02	-
		115.02	**2,097.26**
Interest accrued and due	Adani Ports and Special Economic Zone Ltd.	61.10	-
		61.10	**-**
Borrowings - Inter Corporate Deposit	Adani Ports and Special Economic Zone Ltd.	32,045.96	27,801.00
		32,045.96	**27,801.00**

Note : The Company has availed bank guarantee of ₹ 16,779.44 lacs (previous year ₹ 18,462.44 lacs) out of limit available with the parent company. The Company has taken letter of credit facilities of ₹ 16,500 lacs and bank guarantee facility of ₹ 7,000 lacs and bill discounting limit of ₹ 7,000 lacs against letter of comfort of the parent company. Further the holding Company had given a Margin Money bank guarantee of ₹ 2,650 lacs (previous year ₹ 2,650 lacs) on behalf of the Company.

35 Details of employee benefits

1. The company has recognized, in the Statement of Profit and Loss for the current year, an amount of ₹ 107.23 lacs (previous year ₹ 76.62 lacs) as expenses under the following defined contribution plan.

(₹ In Lacs)

Contribution to	2015-16	2014-15
Provident Fund	101.73	71.45
Superannuation Fund	5.50	5.17
Total	**107.23**	**76.62**

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

Gratuity

Statement of Profit and Loss

a) Net Employee benefit expenses (recognized in employee cost)

(₹ In Lacs)

Particulars	March 31, 2016	March 31, 2015
Current Service cost	41.59	16.83
Interest Cost on benefit obligation	9.81	5.60
Expected return on plan assets	(6.65)	(4.84)
Net actuarial loss / (gain)	62.13	42.96
Net benefit expense	**106.88**	**60.55**

Balance Sheet

b) Details of provision for gratuity

(₹ In Lacs)

Contribution to	March 31, 2016	March 31, 2015
Present value of defined benefit obligation	215.70	122.94
Fair value of plan assets	111.78	83.41
(Deficit)/Surplus of funds	(103.92)	(39.53)
Net asset/ (liability)	(103.92)	(39.53)

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

(₹ In Lacs)

Particulars	March 31, 2016	March 31, 2015
Defined benefit obligation at the beginning of the year	122.94	59.66
Current Service cost	41.59	16.83
Interest Cost	9.81	5.60
Net actuarial (gain) / loss on obligations	56.02	44.74
Benefits paid	(14.66)	(3.89)
Defined benefit obligation at the end of the year	215.70	122.94

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

(₹ In Lacs)

Particulars	March 31, 2016	March 31, 2015
Opening fair value of plan assets	83.41	55.64
Expected return	6.65	4.84
Contributions by employer	29.19	22.77
Benefits Paid	(1.36)	(1.62)
Net Actuarial gains / (losses)	(6.11)	1.78
Closing fair value of plan assets	111.78	83.41

The company expects to contribute ₹ 153.43 lacs to gratuity fund in the next year. (Previous year ₹ 50.11 lacs)

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

Particulars	March 31, 2016	March 31, 2015
Investments with insurer	100%	100%

As the gratuity is managed by life insurance company . Details of fund invested by insurer are not available with company.

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

(₹ In Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Discount rate	7.96%	7.96%
Expected rate of return on plan assets	7.96%	7.96%
Rate of Escalation in Salary (per annum)	9.00%	8.50%
Mortality	India Assured Lives Mortality (2006-08) Ultimate	India Assured Lives Mortality (2006-08) Ultimate
Withdrawal rate	2% at each age	2% at each age

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

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

g) Amounts for the current and previous periods are as follows:

Particulars	March 31, 2016	March 31, 2015	31 March 2014
Defined Benefit Obligation	215.70	122.94	59.66
Plan Assets	111.78	83.41	55.64
Surplus / (deficit)	(103.92)	(39.54)	(4.03)
Experience adjustments on plan liabilities (Gain) / Loss	40.36	25.57	3.89
Experience adjustments on plan assets Gain / (Loss)	(6.11)	1.78	2.32

The relevant information, regarding experience adjustments on plan assets and liabilities have been furnished available with the company.

36 Hazira Road Infrastructure Private Limited, Company's subsidiary, is in the process of voluntary winding up as at March 31,2016. Accordingly, Company has fully provided the investment value ₹5 Lacs as it does not expect to realise any value.

37 Leases

Operating lease commitments – Company as lessor

The company has entered into an agreement for lease of liquid terminal tanks storage facilities at port. These non-cancellable leases have remaining terms of between 5 and 10 years.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

(₹ In Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Within one year	7,036.61	5,213.29
After one year but not more than five years	26,941.31	24,588.14
More than five years	15,755.17	13,357.03
Total	**49,733.09**	**43,158.46**

38 Previous years' figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration Number : 324982E
Chartered Accountants

per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : April 27, 2016

For and on behalf of the board of directors of
Adani Hazira Port Private Limited

Karan Adani
Managing Director
DIN : 03088095

A. K. Singh
Managing Director
DIN : 05249041

Azad Somani
Chief Financial Officer

Manoj Chanduka
Company Secretary

Place : Ahmedabad
Date : April 27, 2016

ADANI HAZIRA PORT PVT. LTD. AHMEDABAD

Form No. AOC-1

Salient features of the financial statement of subsidiaries/associate/joint ventures as per Companies Act, 2013

PART "A" : Subsidiaries

(₹ in Crores)

Sr. No.	Name of the Subsidiary	Reporting Peiod	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit/(Loss) after taxation	Proposed Dividend	% of Shareholding
1	Hazira Infrastructure Private Limited	2015-16	INR	24.20	1.23	25.79	0.36	-	-	0.86	0.37	0.50	-	100%
2	Hazira Road Infrastructure Private Limited	2015-16	INR	0.05	(0.05)	0.00	-	-	-	(0.02)	-	(0.02)	-	100%

Names of subsidiaries which are yet to commence operations-

Sl. No.	Name of the Subsidiary
1	Hazira Infrastructure Private Limited
2	Hazira Road Infrastructure Private Limited

PART "B" : Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Crores)

			Shares of Associate/Joint Ventures held by the company on the year end						Profit /(Loss) for the year	
Sr. No.	Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	No. of Shares	Amount of Investment in Associates/ Joint Ventures	Extend of holding %	Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Considered in Consolidation	Not Considered in Consolidation
N.A.										

For and on behalf of the Board of Directors

Karan Adani
[Managing Director]
DIN : 03088095

A. K. Singh
[Managing Director]
DIN : 05249041

Azad Somani
[Chief Financial Officer]

Manoj Chanduka
[Company Secretary]

Place : Ahmedabad
Date : April 27, 2016

Adani Hazira Port Pvt. Ltd. Ahmedabad

Adani Hazira Port Private Limited
CIN. U45209GJ2009PTC058789
Reg office Adani House Nr Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009