

INDEPENDENT AUDITOR'S REPORT

To the Members of Adani Vizag Coal Terminal Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Adani Vizag Coal Terminal Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 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. 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



Adani Vizag Coal Terminal Private Limited
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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 loss, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 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:
 - (i) 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;
 - (ii) 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;
 - (iii) 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;
 - (iv) 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;
 - (v) 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;
 - (vi) 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;



SRBC & CO LLP

Chartered Accountants

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(vii) 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 does not have any pending litigations which would impact its financial position;
- 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 No 25 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 SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E



per Arpit K Patel

Partner

Membership Number: 34032

Place of Signature: Ahmedabad

Date: April 25, 2016



Adani Vizag Coal Terminal Private Limited

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

Re: Adani Vizag Coal Terminal Private Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) 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) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets 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 of 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



Adani Vizag Coal Terminal Private Limited

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outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to banks. The Company has not taken any loans from financial institutions and government and has not issued debentures.
- (ix) According to information and explanations given by management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause 3 (ix) is not applicable for the company 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) According to the information and explanations given by management, the Company has not paid any managerial remuneration during the year and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (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.
- (xiii) According to the information and explanations given by the management, transactions with 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, reporting under clause 3(xiv) are not applicable and, not commented upon.



S R B C & CO LLP

Chartered Accountants

Adani Vizag Coal Terminal Private Limited

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(xv) 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 as referred to in section 192 of Companies Act, 2013.

(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 25, 2016



Adani Vizag Coal Terminal Private Limited

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ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ADANI VIZAG COAL TERMINAL PRIVATE LIMITED

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 Vizag Coal Terminal Private Limited

We have audited the internal financial controls over financial reporting of Adani Vizag Coal Terminal 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.

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.



SRBC & CO LLP

Chartered Accountants

Adani Vizag Coal Terminal Private Limited

Auditors' Report on Financial Statement for the year ended March 31, 2016

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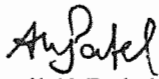
Opinion

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 SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E



per Arpit K Patel

Partner

Membership Number: 34032



Place of Signature: Ahmedabad

Date: April 25, 2016

ADANI VIZAG COAL TERMINAL PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2016

PARTICULARS	Notes	March 31, 2016	March 31, 2015
		₹ In Lacs	₹ In Lacs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	10,128.00	10,128.00
Reserves and Surplus	4	(7,950.00)	(2,035.26)
		2,178.00	8,092.74
NON-CURRENT LIABILITIES			
Long-Term Borrowings	5	26,886.10	23,811.20
Deferred Tax Liabilities	6	208.06	-
Long Term Provisions	8	5.28	2.29
		27,099.44	23,813.49
CURRENT LIABILITIES			
Trade Payables			
-Total outstanding dues of Micro and Small Enterprises		-	-
-Total outstanding dues of creditors other than Micro and Small Enterprises		246.47	437.32
Other Current Liabilities	7	6,813.98	5,989.99
Short Term Provisions	8	35.80	5.92
		7,096.25	6,433.23
Total		36,373.69	38,339.46
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible Assets	9	33,682.55	35,162.42
Intangible Assets	9	49.14	57.91
Capital Work-In-Progress	26	-	-
		33,731.69	35,220.33
Loans and Advances	10	352.64	414.17
Other Non Current Assets	11	-	392.51
		34,084.33	36,027.01
CURRENT ASSETS			
Inventories	12	188.45	175.84
Trade Receivables	13	231.07	351.23
Cash and Bank Balances	14	99.56	45.15
Loans and Advances	10	1,770.28	1,573.10
Other Current Assets	11	-	167.13
		2,289.36	2,312.45
Total		36,373.69	38,339.46

Summary of significant accounting policies.

2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP

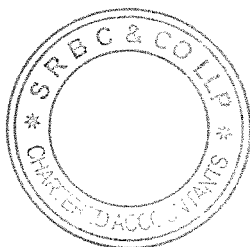
ICAI Firm Registration No.: 3249B2E

Chartered Accountants

Arpit K. Patel

per Arpit K. Patel
Partner

Membership No. 34032



Place : Ahmedabad
Date : April 25, 2016

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

G J Rao

G J Rao
Managing Director
DIN :01724002

B. Ravi

B. Ravi
Director
DIN :00160891

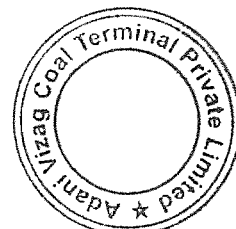
Satyaprakash Mishra

Satyaprakash Mishra
Chief Financial Officer

Dipti Shah

Dipti Shah
Company Secretary

Place : Ahmedabad
Date : April 25, 2016



ADANI VIZAG COAL TERMINAL PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

PARTICULARS	Notes	For the year	
		ended March 31, 2016 ₹ In Lacs	For the year ended March 31, 2015 ₹ In Lacs
INCOME			
Revenue from Operations (net)	15	1,782.57	2,101.32
Other Income	16	24.67	6.56
Total Revenue		1,807.24	2,107.88
EXPENSES			
Operating Expenses	17	865.69	426.94
Terminal Royalty		776.85	1,047.95
Employees Benefit Expenses	18	222.59	92.45
Finance Cost	19	2,922.27	1,148.33
Depreciation and Amortization Expense	9	2,216.56	1,084.81
Other Expenses	20	509.96	332.94
Total Expenses		7,513.92	4,133.42
(Loss) for the year before tax		(5,706.68)	(2,025.54)
Tax Expenses			
Defferd tax charges		208.06	-
(Loss) for the year		(5,914.74)	(2,025.54)
Basic and Diluted (loss) per equity share [face value of ₹ 10 each (31 March 2015: ₹10)]	21	(5.84)	(1.95)

Summary of significant accounting policies. 2.1

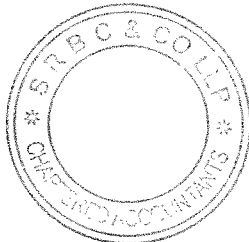
The accompanying notes are an integral part of the financial statements

As per our report of even date

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

Arpit K. Patel

per Arpit K. Patel
 Partner
 Membership No. 34032



Place : Ahmedabad
 Date : April 25, 2016

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

G J Rao

G J Rao
 Managing Director
 DIN :01724002

B. Ravi

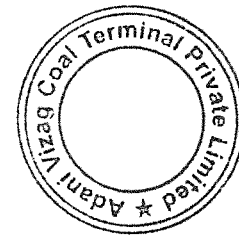
B. Ravi
 Director
 DIN :00160891

Satyaprakash Mishra
 Satyaprakash Mishra
 Chief Financial Officer

Place : Ahmedabad
 Date : April 25, 2016

Dipti Shah

Dipti Shah
 Company Secretary



ADANI VIZAG COAL TERMINAL PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lacs)

PARTICULARS	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
A. Cash flows from Operating Activities		
(Loss) before tax for the year	(5,706.68)	(2,025.54)
Adjustments for:		
Depreciation and Amortization Expenses	2,216.56	1,084.81
Interest Income	(0.69)	(2.03)
Dividend Income	(6.69)	(4.52)
Interest Expense	2,435.64	1,087.86
Amortised of Ancillary Finance Cost	426.40	16.94
Derivatives Loss (net)	12.73	-
Loss on sale of Fixed Asset	2.64	-
Liabilities Written Back	(17.29)	-
Operating (Loss) / Profit before Working Capital Change	(637.38)	157.52
Adjustments for :		
Decrease/(Increase) In Trade Receivable	120.16	(351.23)
(Increase) in Inventories (refer below note 2)	(12.61)	(51.48)
(Increase) / Decrease in Loans and Advances	(71.85)	112.95
Decrease/(Increase) in Other Assets	133.24	(133.12)
(Decrease)/ Increase in Trade Payables	(190.85)	433.35
(Decrease)/ Increase in Other Liabilities	(167.83)	212.63
Increase in Provisions	10.34	7.99
Cash (used In)/generated from Operations	(816.78)	388.61
Direct tax paid (net of refund)	(79.28)	(29.42)
Net cash flow (used In)/from Operating Activities (A)	(896.06)	359.19
B. Cash flows from Investing Activities		
Purchase of Fixed Assets (Including capital work in progress and capital advance)	(576.46)	(3,276.19)
Proceed from Sale of Fixed Assets	1.77	-
Purchase / Sale of Investments in Mutual Fund (net) (refer note 3)	-	141.68
Interest Received	0.69	2.03
Dividend Received	6.69	4.83
Net cash flow (used) in investing activities (B)	(567.31)	(3,127.65)
C. Cash flows from financing activities		
Proceeds from Issuance of Ahare Capital (Refer note 1)	-	8,819.00
Proceeds from Long Term Borrowings	-	814.32
Repayment of Long Term Borrowings	(16,630.00)	-
Proceeds from Inter Corporate Deposit	20,424.60	4,288.50
Repayment of Inter Corporate Deposit	(886.00)	(8,819.00)
Interest Paid (Including Interest Capitalised)	(1,400.62)	(2,312.15)
Gain on settlement / cancellation of Derivative contracts	9.80	-
Net cash flow from financing activities (C)	1,517.78	2,790.67
Net Increase in Cash and Cash Equivalent (A + B + C)	54.41	22.21
Cash and Cash Equivalent at the Beginning of the Year	45.15	22.94
Cash and Cash Equivalent at the End of the Year	99.56	45.15
Component of cash and cash equivalent		
Balance with schedule banks :		
on current accounts	99.56	45.15
Cash and cash equivalents at the end of the Year (refer note 14)	99.56	45.15

Summary of significant accounting policies.

2.1

The accompanying notes are an integral part of the Financial Statements

Notes :

- During the year ended March 31, 2015 Share application of ₹ 829.00 lacs received in 2013-14 has been utilised against the issuance of share capital.
- During the year ended March 31 2015 , Project inventory of ₹ 124.34 Lacs has been transferred from Capital Work In Progress to inventory which has been adjusted to determine cash flow from inventories.
- Purchase of investment in mutual fund of ₹ 1,779.00 lacs (previous year ₹ 2,688.00 lacs) and sale of investment in mutual fund ₹ 1,779.00 lacs (previous year ₹ 2,829.69 lacs)
- The Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard - 3 on Cash Flow Statement notified under section 133 of the companies Act, 2013, read together with paragraph 7 of the Companies (accounts) Rules, 2014.
- Previous year's figures have been regrouped where necessary to confirm to this year's classification.

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration No.: 324982E
Chartered Accountants
per Arpit K. Patel
Partner
Membership No. 34032



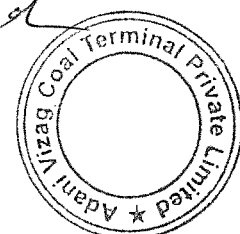
For and on behalf of the Board of Directors
Adani Vizag Coal Terminal Private Limited

G J Rao
Managing Director
DIN :01724002

B. Ravi
Director
DIN :00160891

Satya Prakash Mishra
Chief Financial Officer

Dipti Shah
Company Secretary



Place : Ahmedabad
Date : April 25, 2016

Place : Ahmedabad
Date : April 25, 2016

1 Corporate information

Adani Vizag Coal Terminal Private Limited ('the Company') was incorporated on April 15, 2011 as a wholly owned subsidiary of Adani Ports and Special Economic Zone Limited. The Company has developed bulk cargo port terminal facility for Handling Steam Coal in the inner harbor of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer ("DBFOT") basis under the Concession Agreement dated August 01 2011, effective for a period of 30 years from the date of "Award of Concession" August 08, 2012.

The Company has commenced its commercial operations on East Quay - 1 ("EQ-1") Berth at Vizag Port w.e.f October 01 2014 .

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 with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year , except for the change in the accounting policies explain below.

2.1 Summary of Significant Accounting Policies

a) Change in accounting policies

i) Component accounting

The company has adopted component accounting as required under Schedule II to the Companies Act, 2013 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 the, company has changed the manner of depreciation for its tangible assets. Now, the company identifies and determines useful life for each major component of the fixed asset, if they have 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 opening balance of retained earnings. 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.

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

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 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

c) Tangible Fixed Assets

(i) Tangible Fixed assets (including capital work in progress) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price, borrowing cost if capitalisation criteria are met and any attributable cost of bringing the asset to its working condition for its intended use. Items of stores and spares that meet the definition of fixed assets are capitalised at cost and depreciated over their useful life. Otherwise such items are classified as inventories. 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 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 a depreciable asset to the cost of the asset and depreciates the same over the remaining useful 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 a 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 is recognized from first day of the financial year.

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

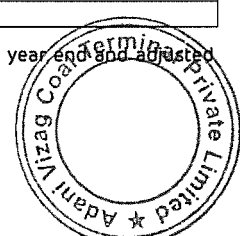
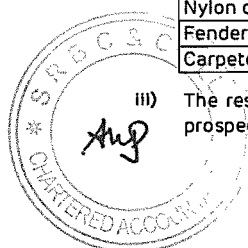
v) The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the assets and has useful life that is materially different from that of remaining assets.

d) Depreciation on Tangible Fixed Assets

i) Depreciation on fixed asset is calculated on Straight Line Method (SLM) 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. The Identified components are depreciated over their useful lives. the remaining components are depreciated over the life of the principal assets.

Assets	Estimated Useful Life
Building RCC frame structure- Building	27 Years as per concession agreement
Marine structure & Dredged channel	27 Years as per concession agreement
Nylon coated belt on conveyor - Plant and Machinery	4 Years respectively
Fender - Marine Structures	10 Years
Carpeted Roads - Building	10 Years

iii) The residual value, useful life and method of depreciation of tangible fixed assets are reviewed at each financial year end and adjusted prospectively if applicable.



ADANI VIZAG COAL TERMINAL PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2016

e) 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 a straight line basis over the estimated useful economic life as follows.

Intangible Assets	Estimated Useful Life
Softwares	5 Years or useful life whichever is less

The amortization period and the amortization method are reviewed at least 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 is 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 intangibles 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.

f) Impairment of Tangible Fixed Assets 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 or cash generating unit's (CGU), net selling price and value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other asset or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.
- (ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g) 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.

h) 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 charged to statement of profit and loss.

i) Leases**Where the Company is the lessee**

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

j) Inventories

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

k) Investments

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

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

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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

l) 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 recognised.

i) Income from services:

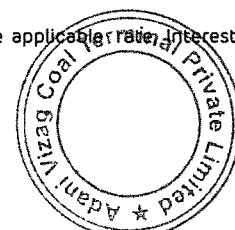
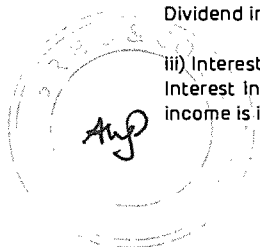
Revenue from port operations services, cargo handling and storage are recognized on proportionate completion method basis based on the service performed. The amount recognized as a revenue is exclusive of service tax and cess where applicable.

ii) Dividends:

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

iii) Interest:

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



m) Foreign Currency Translation

i) Initial recognition

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

ii) Conversion

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

iii) Exchange Differences

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

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

For the purpose of (a) and (b) above, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated 09 August 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 and recognized 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 period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period. Any gain/loss arising on forward contracts which are long-term foreign currency items is recognized in accordance with paragraph (iii) above.

v) Derivative instruments

The Company enters into derivative contracts such as foreign currency option. 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 accounts for its derivatives at fair value with changes in fair value being recognised in the statement of profit and loss. All derivative contracts are recognised on the balance sheet and measured at fair value.

n) Retirement and Other employee benefits

i) Provident fund and Superannuation Fund

Retirement benefits in the form of Provident Fund Schemes are defined contribution schemes and the contributions are charged to the statement of profit and loss of 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 based on actuarial valuation at each year end on projected unit credit method made at the end of each financial year.

iii) Compensated leave benefits

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

iv) Actuarial gains / losses

Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

o) Income Taxes

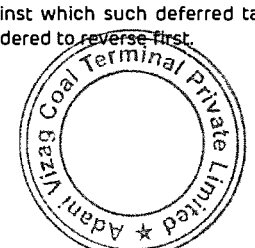
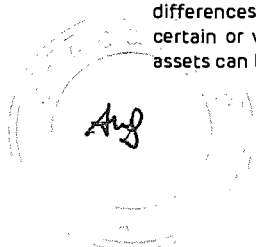
Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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 years from the beginning of port operation. The current year is the third year of Company's operation and it proposes to start claiming tax holidays in the subsequent years only. No deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period.

Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.



ADANI VIZAG COAL TERMINAL PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2016

p) 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.

q) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best management estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best management

r) 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.

s) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand.

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.

3 Share Capital

	March 31,2016 ₹ in Lacs	March 31,2015 ₹ in Lacs
Authorised shares		
1,05,00,00,000 (Previous Year 1,05,00,00,000) equity shares of ₹ 10 each	10,500.00	10,500.00
	10,500.00	10,500.00
Issued, subscribed and fully paid-up shares		
10,12,80,000 (Previous Year 10,12,80,000) fully paid up equity shares of ₹10 each.	10,128.00	10,128.00
	10,128.00	10,128.00

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

	March 31,2016		March 31,2015	
	No. in Lacs	₹ in Lacs	No. in Lacs	₹ in Lacs
At the beginning of the year	1,012.80	10,128.00	48.00	480.00
Issued during the year	-	-	964.80	9,648.00
Outstanding at the end of the year	1,012.80	10,128.00	1,012.80	10,128.00

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

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

Out of equity shares issued by the company, shares held by its holding company are as below:

	March 31,2016 ₹ in Lacs	March 31,2015 ₹ in Lacs
Adani Ports and Special Economic Zone Limited, the holding Company and its nominees		
10,12,80,000 equity shares (Previous Year 10,12,80,000) of ₹ 10 each fully paid	10,128.00	10128.00

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

	March 31,2016		March 31,2015	
	No. in Lacs	% Holding	No. in Lacs	% Holding
Equity shares of ₹10 each fully paid				
Adani Ports and Special Economic Zone Limited, holding company and its nominees	1,012.80	100.00%	1,012.80	100.00%

As per records of company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



ADANI VIZAG COAL TERMINAL PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2016

4 Reserves and Surplus

(Deficit) in the Statement of Profit and Loss

Balance as per last financial statements
(Loss) for the year
Net (deficit) in the Statement of Profit and Loss

March 31,2016 ₹ in Lacs	March 31,2015 ₹ in Lacs
(2,035.26)	(9.72)
(5,914.74)	(2,025.54)
(7,950.00)	(2,035.26)

5 Long-term Borrowings

Inter Corporate Deposit (unsecured)(refer note
Rupee Term Loan from bank (secured)
Bills under Foreign Currency Letter of Credit from
bank (secured)
Bills under Foreign Currency Letter of Credit from
bank (unsecured)

	Non-Current		Current Maturities	
	March 31,2016 ₹ in Lacs	March 31,2015 ₹ in Lacs	March 31,2016 ₹ in Lacs	March 31,2015 ₹ in Lacs
Inter Corporate Deposit (unsecured)(refer note	26,886.10	7,347.50	-	-
Rupee Term Loan from bank (secured)	-	16,463.70	-	166.30
Bills under Foreign Currency Letter of Credit from bank (secured)	-	-	748.30	5,001.46
Bills under Foreign Currency Letter of Credit from bank (unsecured)	-	-	4,863.92	-
	26,886.10	23,811.20	5,612.22	5,167.76
The above amount includes				
Secured borrowings	-	16,463.70	748.30	5,167.76
Unsecured borrowings	26,886.10	7,347.50	4,863.92	-
Amount disclosed under the head "other current liabilities" (refer note 7)	-	-	(5,612.22)	(5,167.76)
	26,886.10	23,811.20	-	-

1. The Inter Corporate Deposits is borrowed @ 9% interest p.a. The amounts are borrowed in installments and are for a period of three years from the date of borrowings. The repayment period is extendable with the mutual consent of both the parties and interest is payable on annually.

2. Letter of Credit aggregating ₹ 748.30 lacs (Previous year ₹ 5,001.46 lacs) are secured on pari passu basis by first mortgage of all the immovable assets of the Company, both present and future and are further secured by hypothecation of immovable assets, both present and future of the Company. The Foreign currency letter of credit carries interest 0.40% to 0.42%

3. Letter of Credit aggregating ₹ 4,863.92 lacs (Previous year ₹ nil) are unsecured. This facilities availed from bank out of the facilities sanctioned to Adani Ports and Special Economic Zone Limited. Letter of Credit carries interest in range of 0.42% to 0.46%.

4. Rupee Term Loan from bank aggregating ₹ Nil (Previous year ₹ 16,630 lacs) carries interest @ I-Base + 2.25% p.a. (Spread) and secured on pari passu basis by first mortgage of all the immovable assets of the Company, both present and future and are further secured by hypothecation of immovable assets, both present and future of the Company. During the year, the company has prepaid the entire loan amount.

6 Deferred Tax Liabilities

Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting, post tax holiday period, as recognized

March 31,2016 ₹ in Lacs	31 March 2015 ₹ in Lacs
208.06	-
208.06	-

7 Other Current Liabilities

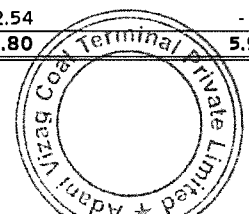
Current maturities of long term borrowings (refer note 5)
Statutory dues payable, Service Tax, Tax Deducted at Source (TDS) etc.
Security Deposits
Unearned Income
Advances from Customers
Interest Accrued but not due on borrowings
Capital Creditors, Retention Money and Other payable

March 31,2016 ₹ in Lacs	March 31,2015 ₹ in Lacs
5,612.22	5,167.76
33.30	54.08
-	8.50
-	117.44
9.59	48.00
1,045.08	10.05
113.79	584.16
6,813.98	5,989.99
1,042.02	29.09

8 Provisions

Provision for gratuity (refer note 28)
Provision for compensated absences
Mark to Market Provision on Derivative contracts

	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 28)	5.28	2.29	-	-
Provision for compensated absences	-	-	13.26	5.92
Mark to Market Provision on Derivative contracts	-	-	22.54	-
	5.28	2.29	35.80	5.92



ADANI VIZAG COAL TERMINAL PRIVATE LIMITED
Notes to financial Statements for the year ended March 31, 2016

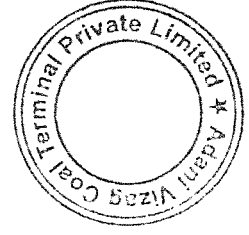
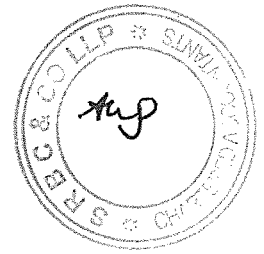
Note 9 - Fixed asset

₹ in Lacs

PARTICULARS	Gross Block						Depreciation/Amortization			Net Block	
	April 01, 2015	Additions	Deductions	Adjustment for Exchange Difference	Adjustment for borrowing cost	March 31, 2016	April 01, 2015	During the year	Deductions	March 31, 2016	March 31, 2015
Tangible Assets											
Building	4,352.09	1.60	-	-	-	4,353.69	103.38	182.68	-	286.06	4,067.63
Office	15.30	-	-	-	-	15.30	0.58	0.30	-	0.88	14.42
Residential flats	23,491.72	39.12	-	610.76	-	24,141.60	816.98	1,674.94	-	2,491.92	21,649.68
Plant & Machinery	29.81	4.18	7.58	-	-	26.41	7.09	2.56	3.43	6.22	20.19
Furniture & Fixtures	77.42	0.70	0.57	-	-	77.55	12.15	16.52	0.31	28.36	49.19
Office Equipments	121.25	10.82	-	-	-	132.07	25.31	23.96	-	49.27	82.80
Computer Equipment	14.68	-	-	-	-	14.68	4.37	1.93	-	6.30	8.38
Vehicles	8,179.32	61.46	-	-	-	8,240.78	149.31	301.21	-	450.52	7,790.26
Marine Structures											
TOTAL	36,281.59	117.88	8.15	610.76	-	37,002.08	1,119.17	2,204.10	3.74	3,319.53	33,682.55
Intangible Assets											
Software	61.64	3.69	-	-	-	65.33	3.73	12.46	-	16.19	49.14
TOTAL	61.64	3.69	-	-	-	65.33	3.73	12.46	-	16.19	57.91
Gross Total	36,343.23	121.57	8.15	610.76	-	37,067.41	1,122.90	2,216.56	3.74	3,335.72	33,731.69
Previous year	110.55	35,213.52	-	(1,210.85)	2,230.01	36,343.23	26.31	1,096.59	-	1,122.90	35,220.33

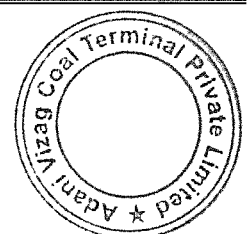
Note

- Expenditure during construction period amounting to ₹ NIL (Previous year ₹ 3143.84 Lacs) (refer note-26) has been apportioned over the above assets and capitalised.
- Depreciation ₹ NIL (Previous year ₹ 11.78 Lacs) has been capitalised as a part of the project cost



ADANI VIZAG COAL TERMINAL PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2016

10 Loans and Advances	Non-Current		Current	
	March 31,2016 ₹ in Lacs	March 31,2015 ₹ in Lacs	March 31,2016 ₹ in Lacs	March 31,2015 ₹ in Lacs
Unsecured, considered good unless stated otherwise				
Capital Advances	-	15.48	-	-
(A)	-	15.48	-	-
Advances recoverable in cash or kind	-	-	12.45	3.87
(B)	-	-	12.45	3.87
Advance Tax (net of provisions)	109.67	30.39	-	-
Prepaid expenses	-	-	4.20	8.94
Balance with Government/ Statutory Authorities	-	145.86	1,734.78	1,542.80
Staff imprest	-	-	2.71	1.35
Deposits others	242.97	222.44	16.14	16.14
(C)	352.64	398.69	1,757.83	1,569.23
Total (A+B+C)	352.64	414.17	1,770.28	1,573.10
11 Other Assets				
	Non-current		Current	
	March 31,2016 ₹ in Lacs	March 31,2015 ₹ in Lacs	March 31,2016 ₹ in Lacs	March 31,2015 ₹ in Lacs
Unamortized Ancillary Borrowing Costs	-	392.51	-	33.89
Insurance Receivable	-	-	-	133.24
	-	392.51	-	167.13
12 Inventories				
			March 31,2016 ₹ in Lacs	March 31,2015 ₹ in Lacs
Stores, spares and consumables (Valued at lower of cost and net realisable value)			188.45	175.84
			188.45	175.84
13 Trade Receivables				
			March 31,2016 ₹ in Lacs	March 31,2015 ₹ in Lacs
Outstanding for a period more than six months. Unsecured, considered good			0.22	-
Outstanding for a period less than six months. Unsecured, considered good			230.85	351.23
			231.07	351.23
Due from related parties included in above (refer note-27)			214.57	138.27
14 Cash and Bank Balances				
			March 31,2016 ₹ in Lacs	March 31,2015 ₹ in Lacs
Cash and cash equivalents			99.56	45.15
Balances with banks: current accounts			99.56	45.15
15 Revenue from Operations				
			March 31,2016 ₹ in Lacs	March 31,2015 ₹ in Lacs
Income from port operations			1,782.57	2,101.32
			1,782.57	2,101.32
16 Other Income				
			March 31,2016 ₹ in Lacs	March 31,2015 ₹ in Lacs
Interest Income from bank deposits and others			0.69	2.04
Dividend Income			6.69	4.52
Liabilities no longer required written back			17.29	-
			24.67	6.56



ADANI VIZAG COAL TERMINAL PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2016

17 Operating Expenses

Sub contractor charges
Power and fuel
Stores, spares and consumable

March 31,2016 ₹ in Lacs	March 31,2015 ₹ in Lacs
444.07	197.54
290.60	188.05
131.02	41.35
865.69	426.94

18 Employees Benefit Expenses

Salaries, wages and bonus
Contribution to provident fund
Gratuity expenses (refer note 28)
Staff welfare expenses

March 31,2016 ₹ in Lacs	March 31,2015 ₹ in Lacs
195.72	82.44
10.04	4.25
3.17	0.91
13.66	4.85
222.59	92.45

19 Finance Cost

Interest expense
Bank and other finance charges (including amortized ancillary borrowing costs)
Loss on derivatives/ Swap Contracts (Net)

March 31,2016 ₹ in Lacs	March 31,2015 ₹ in Lacs
2,435.64	1,087.86
473.90	60.47
2,909.54	1,148.33
12.73	-
2,922.27	1,148.33

20 Other Expenses

Rent and infrastructure expenses
Director Sitting fees
Rates and Taxes
Communication Expenses
Office Expenses
Loss on Sale of Fixed Assets
Security Services charges
Travelling and Conveyance Expenses
(Incl. Aircraft Expenses of ₹ 81.38 lacs (Previous year ₹ Nil)
Payment to Auditors:
Audit fees
Limited Review Fees
Reimbursement of expenses
Legal and Professional Expenses
Repair and Maintenance others
Insurance Expenses
Miscellaneous Expenses

March 31,2016 ₹ in Lacs	March 31,2015 ₹ in Lacs
203.39	98.82
1.10	-
3.21	78.41
4.79	0.92
13.72	15.85
2.64	-
47.21	23.35
110.28	18.09
4.00	4.00
3.31	0.41
0.10	-
44.95	42.85
15.89	29.78
14.17	8.06
41.20	12.40
509.96	332.94

21 Earnings per share (EPS)

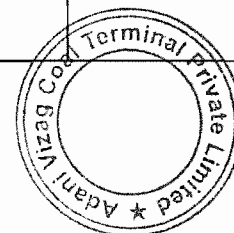
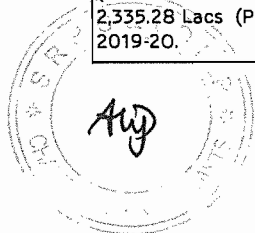
Particulars
Loss for the year
Weighted average number of equity shares in calculating basic and diluted EPS
Basic and diluted earnings /(loss) per share in rupees

March 31,2016 ₹ in Lacs	31 March 2015 ₹ in Lacs
(5,914.74)	(2,025.54)
101,280,000	103,846,493
(5.84)	(1.95)

22 Capital commitments and other commitments

Particulars	(₹ In Lacs)	
	March 31, 2016	March 31, 2015
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	-	94.77

Particulars	(₹ In Lacs)	
	March 31, 2016	March 31, 2015
The Company has imported capital goods under the Export Promotion Capital Goods Scheme of the Government of India at concessional rate of custom duty by undertaking obligation to export. Future outstanding export obligation under the scheme is pending of ₹ 13,311.10 Lacs (Previous Year ₹13,311.10 Lacs) which is equivalent to 95% of 6 times of duty saved ₹ 2,335.28 Lacs (Previous Year ₹ 2,335.28 Lacs). The export obligation has to be completed by 2019-20.	2,335.28	2,335.28



23 Contingent liabilities not provided for

(₹ In Lacs)

Particulars	March 31, 2016	March 31, 2015
Statutory claim against company not acknowledged as debt	46.27	46.27

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

Expenditure in foreign currency (accrual basis)

(₹ In Lacs)

Particulars	March 31, 2016	March 31, 2015
Interest Expenses	24.22	62.08

b) CIF value of imports

(₹ In Lacs)

Particulars	March 31, 2016	March 31, 2015
Store & Spares	-	-

c) Imported and Indigenous stores and spares consumed

(₹ In Lacs)

Particulars	Consumptions		%Consumptions	
	2015-16	2014-15	2015-16	2014-15
Imported	-	-	-	-
Indigenous	131.02	41.35	100%	100%

25(a) The details of derivative outstanding as at the reporting date.

Nature	As at March 31, 2016	As at March 31, 2015	Purpose
Options	EURO 6.45 million	-	Hedging of foreign currency liability of EURO 6.45 Million

The details of unhedged foreign currency exposures are as under:

Nature	As at March 31, 2016		As at March 31, 2015	
	Amount (₹ in Lacs)	Foreign currency EURO	Amount (₹ in Lacs)	Foreign currency EURO
Bills Under Letter of Credit	748.30	992,500	5,001.46	7,443,750
Interest accrued but not due	3.07	4067	4.47	6,655

Closing rates as at March 31, 2016:
INR / EURO = 75.3950

Closing rates as at March 31, 2015
INR / EURO = 67.1900

(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.

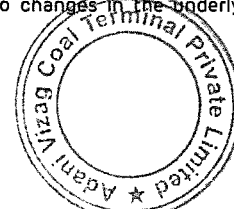
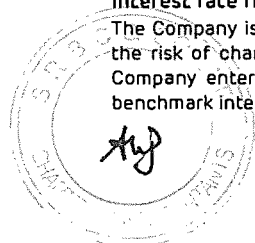
The Company's risk management activities are subject to the management, direction and control of Central Treasury Team of the Adani Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Company. The Company's central treasury 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.



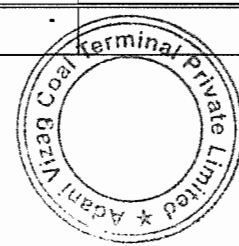
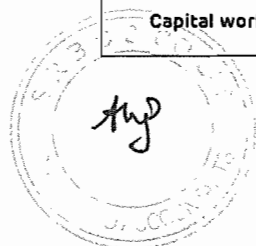
ADANI VIZAG COAL TERMINAL PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2016
Foreign currency risk

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.

26 Capital Work In Progress

During the year, the company has capitalized the following expenses including borrowing cost which are specifically attributable to construction of project and are included to the cost of Fixed Asset / capital Work-In-Progress (CWIP).

Particulars	₹ in Lacs	
	As at March 31, 2016	31 March 2015
A. Capital Work in Progress		
Opening Balances	-	32,106.64
Direct Cost		
Material cost (including forex gain of Previous year ₹ 445.51 lacs)	-	224.88
Project services	-	1,366.82
Total Capital Work in Progress [A]	-	33,698.34
B. Expenditure during Construction Period:		
Opening Balances	-	1,643.03
Other Expenses		
Land lease rent to Visakhapatnam Port Trust	-	59.68
Legal and professional expenses	-	26.23
Rates and taxes	-	11.46
Travelling and conveyance	-	12.59
Repairs and maintenance	-	22.44
Depreciation	-	11.78
Salaries, Wages & Bonus	-	86.49
Staff welfare expense	-	6.84
Security expenses	-	25.50
Insurance Expenses	-	13.56
Miscellaneous expenses	-	11.33
	-	1,930.93
Other income		
(Less): Dividend Income	-	(0.31)
(Less): Sale of Scrap	-	(40.15)
	-	(40.46)
Financial Expenses		
Interest Expenses	-	1,206.60
Finance Charges	-	29.83
Amortization of Loan Processing charges	-	16.94
	-	1,253.37
Total Expenditure during construction period [B]	-	3,143.84
C. Trial run expenses/income		
Trial run Income		
Income from port operations	-	465.59
Trial run expense		
Royalty charges paid to VPT	-	228.23
Consumption of stores and spares	-	49.45
Electricity Charges	-	84.71
Contracted manpower charges	-	33.52
Commission Charges	-	23.63
Other Expenses	-	52.03
Loss/(Gain) from trial run [C]	-	5.98
D. Transfer to Assets[D]	-	36,848.16
Capital work in progress [A+B+C-D]	-	-



ADANI VIZAG COAL TERMINAL PRIVATE LIMITED
Notes to Financial Statements for the Year ended March 31, 2016
Note 27- Related Party Disclosures

The Management has identified the following entities as related parties of the Company for the year ended March 31, 2016 for the purposes of reporting as per AS 18 – Related party transactions, which are as under:

Criteria	Name of company	March 31,2016	March 31,2015
Ultimate holding company	Adani Enterprises Limited (upto March 31, 2015)	-	34.25
Holding company	Adani Ports and Special Economic Zone Limited	1.64	18.20
Fellow subsidiary companies	Adani Hazira Port Private Limited	-	16.57
	Karnavati Aviation Private Limited	-	379.99
	Adani Kandla Bulk Terminal Private Limited	1,482.60	117.61
	The Dhamra Port Company Limited	-	-
	Adani Logistics Limited	81.38	-
	Adani Ennore Container Terminal Private Limited	-	4.97
	Adani Enterprises Limited (w.e.f April 1, 2015)	-	-
Entities over which major shareholders of the holding company are able to exercise Significant Influence through voting power	Adani Enterprises Limited	-	-
Key Management Personnel	G. J. Rao , Managing Director	-	-
Transactions	Name of related party		
Sale of scrap and capital inventory	The Dhamra Port Company Limited	-	75.00
	Adani Ennore Container Terminal Private Limited	2,109.69	-
	Adani Kandla Bulk Terminal Private Limited	-	26.47
Rendering of service	Adani Logistics Limited	-	9,648.00
	Adani Enterprises Limited	20,424.60	4,288.50
Services availed (including reimbursement of expenses)	Karnavati Aviation Private Limited	886.00	8,819.00
	Adani Enterprises Limited	-	-
Services availed (including reimbursement of expenses) for Project	Adani Enterprises Limited	-	4.15
Interest Expenses	Adani Ports and Special Economic Zone Limited	-	75.00
Purchase of Fixed Assets	Adani Ports and Special Economic Zone Limited	2,109.69	-
Share Capital Issued	Adani Ports and Special Economic Zone Limited	-	26.47
Inter Corporate deposit(taken)	Adani Ports and Special Economic Zone Limited	-	9,648.00
Inter Corporate deposit(repaid)	Adani Ports and Special Economic Zone Limited	20,424.60	4,288.50
Closing balances	Adani Ports and Special Economic Zone Limited	886.00	8,819.00
Inter Corporate deposit	Adani Ports and Special Economic Zone Limited	26,886.10	7,347.50
Other Current Liabilities	Adani Ports and Special Economic Zone Limited	1,042.02	29.09
Trade Payable	Adani Enterprises Limited	2.95	1.95
	Adani Hazira Port Private Limited	0.43	-
Trade Receivable	Adani Enterprises Limited	-	34.55
	Adani Logistics Limited	214.57	103.72

Note:

1. Managing Director of the company is in employment with the parent company, Adani Ports and Special Economic Zone Limited and he is paid remuneration by the parent company.

2. The Company has taken letter of credit of ₹ 5,167.76 lac (previous year ₹ 5,001.46 lac) and Bank Guarantee of ₹ 2399.00 lacs (previous year ₹ 4014.90 lacs) out of limit available with the parent company.



ADANI VIZAG COAL TERMINAL PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2016
28 Details of employee benefits

The Company has recognized in the statement of profit and loss for the current year, an amount of ₹ 10.04 Lacs (Previous year ₹ 6.93 Lacs) expenses under the following contribution plan.

Particulars	₹ in Lacs	
	March 31,2016	March 31, 2015
Provident Fund	10.04	6.93

The Company has a defined gratuity plan, which is unfunded. Every employee who has completed at least 5 years of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service.

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

Statement of profit and loss

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

Particulars	₹ in Lacs	
	Gratuity (unfunded) March 31,2016	Gratuity (unfunded) March 31, 2015
Current service cost	3.12	2.13
Interest cost on benefit obligation	0.18	-
Actuarial loss / (gain)	(0.13)	-
Transfer to Expenditure during construction	-	(1.22)
Net benefit expense	3.17	0.91

Balance Sheet

b) Details of Provision for gratuity

Particulars	₹ in Lacs	
	Gratuity (Unfunded) March 31,2016	Gratuity (Unfunded) March 31, 2015
Present value of defined benefit obligation	5.28	2.29
Fair value of plan assets	-	-
Surplus/(deficit) of funds	(5.28)	(2.29)
Net asset / (liability)	(5.28)	(2.29)

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

Particulars	₹ in Lacs	
	Gratuity (Unfunded) March 31,2016	Gratuity (Unfunded) March 31, 2015
Defined benefit obligation at the beginning of the year	2.29	0.16
Current service cost	3.12	2.13
Interest cost	0.18	-
Actuarial (gain) / loss on obligations	(0.13)	-
Benefits paid	(0.18)	-
Defined benefit obligation at the end of the year	5.28	2.29

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

Particulars	₹ in Lacs	
	Gratuity (Unfunded) March 31,2016	Gratuity (Unfunded) March 31, 2015
1. Discount rate	7.90%	7.96%
2. Rate of escalation in salary (per annum)	9.00%	8.50%
3. Mortality	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)
4. Attrition rate	For service 5 year and below 10% For Service 5 year and above 1%	For service 5 year and below 10% For Service 5 year and above 1%

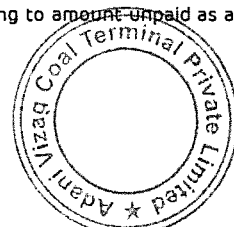
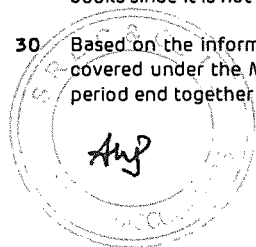
The estimates of future salary increases considered in actuarial valuation and take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

e) Amounts for the current year are as follows:

Gratuity	March-16	March-15
Defined benefit obligation	5.28	2.29
Plan assets	-	-
Surplus / (deficit)	(5.28)	(2.29)
Experience loss (gain)on plan liabilities	(0.63)	-
Experience loss (gain)on plan assets	-	-

29 In accordance with Accounting Standard 22 'Accounting for Taxes on Income, notified under section 133 of the Companies Act 2013, in view of the losses incurred by the Company during the period, deferred tax assets on losses incurred during the period have not been recognized in the books since it is not virtually certain if the Company will be able to take advantage of such losses.

30 Based on the information and supplier's profile available with the Company as at March 31, 2016 the management believes that no creditor is covered under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosure, if any, relating to amount unpaid as at the period end together with the interest paid / payable, as required under the said Act is not applicable



ADANI VIZAG COAL TERMINAL PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2016

31 During the year ended March 31, 2016, the Company has incurred net loss of ₹ 5,914.75 lacs (March 31, 2015: ₹ 2,025.56 lacs) and has accumulated losses of ₹ 7,950.01 lacs (March 31, 2015: ₹ 2,035.26 lacs) which has resulted in substantial erosion of the Company's net worth. The Company has incurred cash loss during the current year and previous year and the Company's current liabilities exceeded its current assets as at balance sheet date. Considering this being second year of the Company's operations, the management expects that there will be significant increase in the operations of the Company that will lead to improved cash flows and long term sustainability. Adani Ports and Special Economic Zone Limited, the Holding Company has undertaken to provide such financial support as necessary, to enable the Company to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a 'going concern' basis.

32 In terms of clause 9.2 (a) of Concession agreement dated August 01, 2011 between the Company and Vizag Port Trust (VPT), the Company is liable to pay revenue share to VPT on cargo storage charges beyond the free period based on tariff rates of VPT. The Company has made several representation to VPT in the matter explaining that period of free storage given in the concession agreement is not consistent with practice as it is practically difficult to evacuate cargo looking to the rakes and other infrastructure availability and also considering that the Company is paying the land lease rentals for the terminal. In view of the above the Company has made representations to VPT under the Tariff Authority for Major Ports (TAMP) notification/guidelines that the storage charges should be considered under miscellaneous charges category and accordingly, revenue share on storages charges is to be paid. Matter is pending for resolutions with VPT Authorities.

However, Company has accounted Rs. 348 lacs as revenue share on storage charges on cargo handled since October 2014.

33 Previous year comparatives

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

As per our report of even date

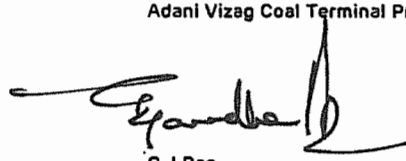
For S R B C & CO LLP
ICAI Firm Registration No.: 324982E
Chartered Accountants

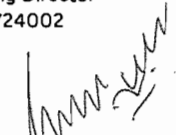

per Arpit K. Patel
Partner
Membership No. 34032




Place: Ahmedabad
Date : April 25, 2016


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


G J Rao
Managing Director
DIN :01724002


Satyaprakash Mishra
Chief Financial Officer

Place: Ahmedabad
Date : April 25, 2016


B. Ravi
Director
DIN :00160891


Dipti Shah
Company Secretary

