Deloitte
Haskins & Sells LLP

Chartered Accountants
19th Floor, Shapath-V
S.G. Highway
Ahmedabad - 380 015
Gujarat, India

Tel: +91 (079) 6682 7300
Fax: +91 (079) 6682 7400

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE DHAMRA PORT COMPANY LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **THE DHAMRA PORT COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the

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appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.

   e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

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i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements; - Refer Note 26 to the standalone 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 6 to the standalone financial statements.

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)

Place: Ahmedabad
Date: 2nd May, 2016

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of **The Dhamra Port Company Limited** ("the Company") as of 31st March, 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 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Company's 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 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 Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)

Place : Ahmedabad
Date: 2nd May, 2016

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ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. The Company does not have any immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) 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.

(iv) The Company has not granted any loans, made investments or provided guarantees which require compliance of section 185 and 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the CARO 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, would apply. Accordingly, the provisions of Cause 3(v) of the Order are not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

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(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31st March, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. In crores)
The Finance Act, 1994	Service Tax	Customs Excise And Service Tax Appellate Tribunal	2005-06 To 2009-10	3.05
The Finance Act, 1994	Service Tax	Commissioner, Central Excise, Customs And Service Tax	2010-11 To 2013-14	5.56

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

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(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)

Place : Ahmedabad
Date: 2nd May, 2016

The Dhamra Port Company Limited
Balance Sheet as at 31 March, 2016

Rs. In Crores

Particulars	Notes	As at 31 March, 2016	As at 31 March, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,148.00	1,148.00
Reserves and surplus	4	(750.02)	(864.49)
		397.98	283.51
Non-current liabilities			
Long-term borrowings	5	3,779.70	3,223.05
Deferred Tax Liabilities (Net)	6	-	-
Long-term provisions	7	2.05	1.65
		3,781.75	3,224.70
Current liabilities			
Trade payables	8	95 78	92.04
Other current liabilities	9	302.37	141.66
Short-term provisions	7	5.73	-
		403.88	233.70
TOTAL EQUITY AND LIABILITIES		**4,583.61**	**3,741.91**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	2,826.70	2,936.05
Intangible assets	10	2.13	2.02
Capital work-in-progress		691.24	196.98
		3,520.07	3,135.05
Non-current Investments	11	0.10	-
Long-term loans and advances	12	484.85	172.56
Other non-current assets	13	36.42	14.45
		4,041.44	3,322.06
Current assets			
Inventories	14	27.36	27.99
Trade receivables	15	339.17	342.87
Cash and cash equivalents	16	101.05	1.09
Short-term loans and advances	12	47.86	29.94
Other current assets	17	26.73	17.96
		542.17	419.85
TOTAL ASSETS		**4,583.61**	**3,741.91**

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval

Kartikeya Raval
Partner

Place : Ahmedabad
Date : May 2, 2016

For and on behalf of the Board of Directors of
The Dhamra Port Company Limited

Unmesh Abhyankar
[Director]
DIN : 03040812

Subrat Tripathy
[Director & CEO]
DIN : 05890393

Dibyaranjan Mishra
[Company Secretary]

Rakesh Kumar Shah
[Chief Financial Officer]

Place : Bhubaneshwar
Date : 2nd May, 2016

The Dhamra Port Company Limited

Statement of Profit and Loss for the year ended 31 March, 2016

Rs. In Crores

Particulars	Notes	For the Year ended 31 March, 2016	For the Year ended 31 March, 2015
Revenue from operations	18	732.48	911.24
Other Income	19	16.48	48.86
Total Revenue		**748.96**	**960.10**
Expenses			
Operating expenses	20	223.04	283.31
Employee benefits expenses	21	22.19	22.93
Finance costs	22	170.26	350.13
Depreciation and amortization expense	10	188.69	203.17
Other expenses	23	30.31	30.00
Total expenses		**634.49**	**889.54**
Profit before tax		114.47	70.56
Tax expense		-	-
- Current Tax		-	-
- Deferred Tax		-	-
Profit for the year		**114.47**	**70.56**
Earning per Equity Share (In Rs.) face value of Rs. 10 each			
- Basic		1.00	1.04
- Diluted		1.00	1.04

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval

Kartikeya Raval
Partner

For and on behalf of the Board of Directors of
The Dhamra Port Company Limited

Unmesh Abhyankar
[Director]
DIN : 03040812

Subrat Tripathy
[Director & CEO]
DIN : 06890393

Dibyaranjan Mishra
[Company Secretary]

Rakesh Kumar Shah
[Chief Financial Officer]

Place : Ahmedabad
Date : May 2, 2016

Place : Bhubaneshwar
Date : 2nd May, 2016

The Dhamra Port Company Limited

Cash Flow Statement for the year ended 31 March 2016

	Particulars	For the Year ended 31 March, 2016	For the Year ended 31 March, 2015
A.	**Cash Flow from Operating activities:**		
	Net Profit/ (Loss) before exceptional item and tax	114.47	70.56
	Adjustments for:		
	Depreciation and amortisation expense	188.69	203.18
	Profit on sale of investments	(2.19)	(8.13)
	Finance costs	186.44	350.13
	(Gain)/Loss on derivatives/Swap Contracts (net)	(16.18)	-
	Customer Claims	3.78	-
	Provision for doubtful debts and advances	0.60	0.02
	Interest income	(9.06)	(1.39)
	Liabilities written back	(5.23)	(39.34)
	Unrealised exchange loss	(10.02)	0.56
	Operating profit before working capital changes	**451.30**	**578.08**
	Adjustments for (increase)/decrease in operating assets		
	Inventories	0.63	(7.34)
	Trade receivables	8.88	1.99
	Short-term loans and advances	(17.92)	(11.60)
	Long-term loans and advances	(118.58)	0.83
	Other current assets	(3.92)	(11.23)
	Other non-current assets	(16.61)	(0.02)
	Adjustments for increase/(decrease) in operating liabilities		
	Trade payables	5.88	(30.56)
	Other current liabilities	(20.30)	21.49
	Short-term provisions	1.95	(0.34)
	Long-term provisions	0.40	0.14
	Cash generated from operations	**291.71**	**541.44**
	Net income tax (paid)	(6.90)	(5.71)
	Net cash flow from operating activities	**284.81**	**535.73**
B.	**Cash Flow from Investing activities:**		
	Purchase of fixed assets	(718 67)	(306.70)
	Sale of fixed assets	0.42	0.06
	Purchase of Long term investments-Subsidiaries	(0.10)	-
	Purchase of investments	(3,123.17)	(5,177.20)
	Sale of investments	3,125.36	5,185.33
	Bank balances not considered as cash and cash equivalents		
	Placed	(1.36)	-
	Matured	-	0.41
	Interest received from investments / agencies (Bank etc.)	2.69	1.03
	Net cash flow used in investing activities	**(714.83)**	**(297.07)**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

The Dhamra Port Company Limited

Cash Flow Statement for the year ended 31 March 2016

	Particulars	For the Year ended 31 March, 2016	For the Year ended 31 March, 2015
C.	**Cash Flow from Financing activities:**		
	Proceeds from long term borrowings (Note 2)	3,327.70	2,225.00
	Repayment of long term borrowings (Note 2)	(2,159.50)	(2,594.50)
	Change in other long term liabilities	-	(33 83)
	Proceeds from Inter corporate deposit	1,101.75	1,548.05
	Repayment of Inter corporate deposit	(1,570.20)	(850.00)
	Repayment of short term borrowings	-	(50.00)
	Finance costs paid	(170.61)	(494.08)
	Net cash flow from financing activities	**529.14**	**(249.36)**
Net increase/(decrease) in cash and cash equivalents		99.13	(10.70)
Cash and cash equivalents as at 1st April (Note 1)		1.09	11.79
Cash and cash equivalents as at 31st March (Note 1)		**100.21**	**1.09**

Notes:

1. Includes cash on hand, balance in current accounts with banks and fixed deposits with maturities less than three months.
2. Includes conversion of Rupee Term Loan to Foreign Currency Non-resident Borrowings(FCNRB)
3. Figures in brackets represent outflows

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval

Kartikeya Raval
Partner

Place : Ahmedabad
Date May 2, 2016

For and on behalf of the Board of Directors of
The Dhamra Port Company Limited

Unmesh Abhyankar
[Director]
DIN : 03040812

Subrat Tripathy
[Director & CEO]
DIN : 06890393

Dibyaranjan Mishra
[Company Secretary]

Rakesh Kumar Shah
[Chief Financial Officer]

Place : Bhubaneswar
Date : 2nd May, 2016

The Dhamra Port Company Limited

Notes forming part of the financial statements

1. General Corporate Information

The Dhamra Port Company Limited ("DPCL") operates an all-weather modern deep sea port at Dhamra in the State of Odisha, under a concession awarded by the Government of Odisha on Build-Own-Operate-Share-Transfer [BOOST] basis for a period of 34 years (including the period of four years for construction).Company has started its commercial operation from 6th May 2011

2. Summary of Significant Accounting Policies

2.01 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act").The financial statements have been prepared on accrual basis under the historical cost convention.(except in case of derivative transactions referred in note 2.02) and going concern basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year, except for change in accounting policy, as referred in Note 2.02.

2.02 Accounting for derivative contracts

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 date and measured at fair value. Had the Company followed the same accounting policy as in the previous year, net profit for the year ended on 31st March, 2016 would have been lower by Rs. 20.13 Crores.

2.03 Use of Estimates

The preparation of the financial statements are in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.04 Inventories

Stores, spare parts, fuel and lubricants are valued at lower of cost and net realisable value. Cost comprises purchase price, freight handling, non refundable taxes and duties and other directly attributable costs. Value of inventories are generally ascertained on "weighted average" basis.

2.05 Cash and Cash Equivalents (for the purpose of Cash Flow statement)

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

2.06 Cash Flow Statement

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

2.07 Depreciation and Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on terms of the contractual agreement with relevant statutory authority:-

Category of Asset	Estimated Useful Life
Leasehold Land Development, Buildings, Immovable Properties and Dredged Channel	Estimated useful life as per Part C of Schedule II or the balance period of the Concession Agreement, whichever is lower
Jetty	30 Years
Rubber Fenders	10 Years

Intangible assets are amortised on a straight line basis over their estimated useful lives. The estimated useful life for computer software in 5 years.The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

The Dhamra Port Company Limited

Notes forming part of the financial statements

2.08 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:

Income from operations

Revenue from port operation services including cargo handling, storage and rail infrastructure are recognized on completion of service. Revenue on take-or-pay charges are recognized for the quantity that is the difference between annual agreed tonnage and actual quantity of cargo handled. The amount recognised as a revenue is exclusive of service tax and education cess where applicable.

Other Income

Dividend income is recognised when the Company's right to receive dividend is established. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

The Company recognises insurance claims when the recoverability of the claims is established with a reasonable certainty.

2.09 Fixed assets (Tangible / Intangible)

i). Fixed assets are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Cost also includes administrative expenses incidental and directly related to construction of the fixed assets upto the date of commencement of commercial operations, net of income earned from pre-commercial operations during the construction period.

The Company has adopted the provisions of para 46 / 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

ii). Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Foreign Currency Transactions

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction

Foreign currency monetary items (other then derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

Foreign Currency forward contracts, other than those entered into to hedge foreign currency risk on unexecuted firm commitments or highly probable forecast transactions are treated as foreign currency transactions and accounted accordingly as per Accounting Standard (AS) 11 - Effects of Changes in Foreign Exchange Rates. The difference between the contract rate and spot rate on the date of transaction is recognised as premium/discount and amortised over the life of the contract Exchange differences arising on account of remeasurement and gains and losses arising on account of roll over/cancellation of foreign currency forward contracts are recognised in the statement of profit and loss.

All derivative contracts entered to hedge foreign currency risks on unexecuted firm commitments and highly probable forecast transactions, are recognised in the financial statements in pursuance to "Guidance Note on Accounting for Derivative Contracts" issued by the Institute of Chartered Accountants of India, (except the guidence related to hedge accounting) which requires recognition of all derivative contracts on the balance sheet and measured at fair value.

2.11 Investments

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

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2.12 Employee Benefits

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences.

Defined Contribution Plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans

The Company provides Gratuity benefit to its employees. Gratuity liabilities are funded through a separate trust with its funds managed by Life Insurance Corporation of India. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the schemes.

Short-term Employee Benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled

2.13 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted

2.14 Lease

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis over the lease term.

2.15 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.16 Impairment

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

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2.17 Taxes on Income

Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws

Deferred tax

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off Deferred tax assets are reviewed at each balance sheet date for their realisability.

Deferred tax is measured based on the provisions of tax laws and tax rates enacted or substantively enacted as at the Balance Sheet date.

2.18 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the financial statements

2.19 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

Rs. Crores

3. Share Capital

	As at 31.03.2016	As at 31.03.2015
	Rs. Crores	Rs. Crores
Authorised:		
1,150,000,000 Equity Shares of Rs. 10 each	1,150.00	1,150.00
(31.03.2015: 1,150,000,000 Equity Shares of Rs. 10 each)		
800,000,000 Redeemable Preference Shares of Rs.10 each	800.00	800.00
(31.03.2015: 800,000,000 Equity Shares of Rs. 10 each)		
	1,950.00	1,950.00
Issued, subscribed and fully paid up:		
1,148,000,000 Equity Shares of Rs. 10 each	1,148.00	1,148.00
(31.03.2015: 1148,000,000 Equity Shares of Rs. 10 each)		
Total Share Capital	1,148.00	1,148.00

3.1 Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year

	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	Amount Rs. Crores	No. of Shares	Amount Rs. Crores
Equity Shares:				
At the beginning of the year	1,148,000,000	1,148.00	648,000,000	648.00
Issued during the year	-	-	500,000,000	500.00
At the end of the year	1,148,000,000	1,148.00	1,148,000,000	1,148.00

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3.2 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	%	No. of Shares	%
Adani Ports & Special Economic Zone Limited,(holding company) including nominees	1,148,000,000	100.00	1,148,000,000	100.00
	1,148,000,000	100.00	1,148,000,000	100 00

3.3 Rights, preferences and restrictions attached to shares

Equity Shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Rs. Crores

4. Reserves and Surplus	As at 31 03.2016	As at 31.03.2015
(Deficit) in Statement of Profit and Loss		
Balance at the beginning of the year	(864.49)	(935.05)
Profit for the year	114.47	70.56
Balance at the end of the year	(750.02)	(864.49)

Rs. Crores

5. Long-term Borrowings	As at 31.03.2016	As at 31.03.2015
A. Secured		
Rupee Term Loans from Banks *(Refer note 3 & 4 below)*	546.93	2,225.00
Foreign Currency Term loans from Banks *(Refer note 1, 2 & 4 below)*	2,703.17	-
Total Secured Borrowings	3,250.10	2,225.00
B. Unsecured		
From related party		
Inter Corporate Deposit *(Refer note 5 below and note 31)*	529.60	998 05
Total Unsecured Borrowings	529.60	998.05
Total Borrowings	3,779.70	3,223.05

Notes:

1. Foreign Currency term loan aggregating to Rs.2496.73 Crores (equivalent USD 376.84 million) (previous year Rs.Nil), out of which Rs.124.84 crores (previous year Rs. Nil) is classified as current maturity, . The loan carries an Interest of 6 months libor plus 190 basis points Outstanding balance is repayable in 50 installments over a period of 13 years starting from financial year 2016-17.

2. Foreign Currency term loan aggregating to Rs.331.28 Crores (equivalent USD 50.00 million) (previous year Rs Nil), which carries an interest of 6 months libor plus 230 basis points. Outstanding balance is repayable 32 quarterly equal installments starting from 30th June 2016.

3. Rupee term loan amounting to 565.20 crore (previous year 2225.00 Crores) out of which Rs.18.26 crores(previous year Rs. Nil) is classified as current maturity The loan aggregating to Rs. 85.50 crores is repayable in 50 installments over a period of 13 years starting from financial year 2016-17 and carries a interest @9.85% p.a .Loan aggregating to Rs. 499 70 crores is repayable 24 quarterly installments over a period of 6 years starting from financial year 2016-17 and carries a interest @9.30% p.a.

4. Foreign Currency Term Loan & Rupee Term Loan are secured by a first pari passu charge on all Immovable fixed assets (including lease hold properties), movable fixed assets, current assets (including book debts, operating cash flows, receivables, revenue), intangible assets, pertaining to the existing project capacity both present & future Also secured by first pari-passu charge on new assets by way of utilization of the proceeds of loan and all bank accounts including (Trust & Retention Account and Debt Service Account). Also secured by pledge of shares representing 30% of the total equity paid up capital.

5. Inter corporate deposit amounting to Rs.529.60 crores (previous year Rs. 998.05 crores) from related party includes Interest free unsecured deposit to the tune of Rs. 485.00 crores(previous year Rs. 485.00) and Rs.44.60 crores(previous year Rs.314 54 crores carring interest @ 9% p.a.

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Notes forming part of the financial statements

	As at 31.03.2016	As at 31.03.2015
	Rs. Crores	Rs. Crores
6. Deferred tax liability (Net)		
Deferred tax liability		
Timing difference between book and tax depreciation	341.72	135.40
	341.72	135.40
Deferred tax Asset	341.72	135.40
Unabsorbed depreciation	341.72	135.40
	-	-

The Company has recognised deferred tax assets on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the timing difference between the book depreciation and tax depreciation as per the Income Tax Act as it is virtually certain that the reversal of timing difference on account of depreciation would result in sufficient taxable income against which the deferred tax assets can be realised.

7. Provisions

	As at 31.03.2016		As at 31.03.2015	
	Long-term	Short-term	Long-term	Short-term
Provisions				
(a). Provision for Gratuity (Refer Note 32)	-	0.25	-	-
(b) Provision for Compensated absences	2.05	-	1.65	-
(c). Provision for mark to market loss on derivative contracts	-	1.70	-	-
(d). Provision for operational claims (Refer note below)	-	3.78	-	-
Total Provisions	2.05	5.73	1.65	-

Description		Opening Balance	Addition during the year	Utilization/Settled during the year	Closing Blalance
Operational Claims	Current year	-	3.78	-	3.78
	Previous year				

Note: Operational Claims are the expected claims against outstanding receivables made/to be made by the customers towards shortages of stock, handling losses, damages to the cargo, storage and other disputes The probability and the timing of the outflow / adjustment with regard to above depends on the ultimate settlement / conclusion with the respective customers.

Rs. Crores

8. Trade Payables

	As at 31.03.2016	As at 31.03.2015
Other than acceptances	95.78	92.04
Total Trade Payable	95.78	92.04

9. Other Current Liabilities

	As at 31.03.2016	As at 31.03.2015
(a) Current maturities of long-term debt *(Refer note 5)*	143.10	-
(b) Interest accrued but not due on borrowings	21.78	13.03
(c) Other payables		
i). Payables on purchase of fixed assets	130.91	101.75
ii). Advances received from customers	3.04	5.44
iii). Statutory dues	3.41	19.36
iv). Interest accrued on trade payables	-	1.88
v). Trade Deposits received	0.13	0.20
Total Other Current Liabilities	302.37	141.66

Rs. Crores

10. Tangible Assets & Intangible Assets

Particulars	Gross Block						Depreciation/Amortization				Net Block	
	As at 01.04.2015	Additions during the year	Deductions during the year	Other Adjustments: Effect of Foreign Exchange Difference	Other Adjustments: Borrowing Cost Capitalised	As at 31.03.2016	As at 01.04.2015	Provided During the Year	Deductions During the Year	As at 31.03.2016	As at 31.03.2016	As at 31.03.2016
[A] Tangible Assets												
Freehold Land	0 73	0 04	-		-	0.77	-	-	-	-	0.77	0.73
Land Developement Cost on Leashold land	391.13		-	1.33		392.46	50.82	13.09	-	63.91	328.55	340.31
Building & Port infrastructure	752.50	30.23	-	0.93	2.90	786.56	108.51	31.17	-	139.68	646.88	643.99
Plant & Machinery	995.95	7.52	0.01	0.58	-	1,004.04	218.69	74.27	-	292.96	711.08	777.26
Furniture & Fixtures	3.20	0.29	-	-	-	3 49	0.76	0.36	-	1.12	2.37	2.44
Office Equipments	4.02	0.36	0.07	-	-	4.31	1.32	0.96	0.03	2.25	2.06	2.70
Computer Equipment	8.54	0.44	0.03	-	-	8 95	7 66	0.38	0.02	8.02	0.93	0.88
Vehicles	2.52	0.02	0.68	-	-	1 86	1.01	0.28	0.32	0.97	0.89	1.51
Railway Tracks and Sidings	641.47	25.18	-	1.56	3 11	671.32	133.43	46.48	-	179.91	491.41	508.04
Dredged Channels	756.83	5.13	-	3.81	-	765.77	98.64	25.37	-	124.01	641.76	658.19
TOTAL (A)	3,556.89	69.21	0.79	8.21	6.01	3,639.53	620.84	192.36	0.37	812.83	2,826.70	2,936.05
[B] Intangible Assets												
Software	9.15	1.89	-	-	-	11.04	7 13	1 78	-	8.91	2.13	2.02
TOTAL (B)	9.15	1.89	-	-		11.04	7.13	1.78	-	8.91	2.13	2.02
												-
Total [A+B]	3,566.04	71 10	0.79	8.21	6.01	3,650.57	627.97	194.14	0.37	821.74	2,828.83	2,938.07
Previous Year	3,533.91	32.37	0.24	-		3,566.04	424.20	203.95	0.18	627.97	2,938.07	3,106.23

NOTE:

A. The depreciation expenses of Rs. 5.45 crores (previous year Rs.0.78 crores) on pre fabricated residential strucure (Temporary Strucure) has been transferred to capital work In progress for subsequent capitalization with the expansion of project work of Berth 3.(Refer note 24)

B. During the current year, the Company has identified certain components of ship unloader whose costs are significant to the total cost of the ship unloader and have different useful lives from the remaining parts of the assets which has resulted depreciation charge being reduced by Rs. 2.56 crores pertaining to such component accounting.

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Notes to the Financial Statements

11. Non-current Investments

	As at 31.03.2016 Rs. Crores	As at 31.03.2015 Rs. Crores
Unquoted		
Investments in equity shares of subsidiaries (at cost)		
(a). Dhamra LNG Terminal Private Limited 50,000 Equity shares of Rs.10 each (Previous year Nil)	0.05	-
(b). Dhamra LPG Terminal Private Limited 50,000 Equity shares of Rs.10 each (Previous year Nil)	0.05	-
	0.10	-

12. Loans and Advances

(Unsecured)

	As at 31.03.2016 Rs. Crores		As at 31.03.2015 Rs. Crores	
	Long-term	Short-term	Long-term	Short-term
(a) Capital advances	276.36	-	89.55	-
(b). Security deposits	105.25	0.50	4.92	0.50
Less: Provision for doubtful advances	-	0.50	-	0.50
	105.25	-	4.92	-
(c). Loans & advances to related parties	25.00	-	-	-
(d). Balances with Govt authorities	-	36.20	-	18.03
(e). Other loans and advances				
i). Prepaid Expenses	2.66	2.51	5.16	4.08
ii) Loans & advances recoverable in cash or kind	57.83	8.90	62.08	7.69
iii). Loans & advances to employees	-	0.25		0.14
iv). Advance Income Tax	17.75	-	10.85	-
Total Loans and Advances	484.85	47.86	172.56	29.94
Considered good	484.85	47.86	172.56	29.94
Considered doubtful	-	0.50	-	0.50
Total	484.85	48.36	172.56	30.44

13. Other Non Current assets

	As at 31.03.2016 Rs. Crores	As at 31.03.2015 Rs. Crores
(a) Balances held as margin money deposits with maturity period of more than 12 months *(Refer note 16)*	4.21	3.69
(b). Long-term trade receivable	16.63	-
(c) Unamortised long-term loan issue expenses	13.77	9.17
(d). Interest accrued on deposits	-	0.87
(e). Interest accrued on advances	1.81	0.70
(f). Retirement benefits - Gratuity (net plan assets)	-	0.02
Total Other Non Current assets	36.42	14.45

14. Inventories

	As at 31.03.2016 Rs. Crores	As at 31.03.2015 Rs. Crores
Stores and spares (At lower of cost and net realisable value)	27.36	27.99
Total Inventories	27.36	27.99

15. Trade Receivables

(Unsecured)

	As at 31.03.2016 Rs. Crores	As at 31.03.2015 Rs. Crores
i) Outstanding for more than six months from date they were due for payment	158.20	121.99
Less Provision for doubtful debts	9.22	8.61
	148.98	113.38
ii). Others	190.19	229.49
Total Trade Receivables	339.17	342.87
Considered good	339.17	342.87
Considered doubtful	9.22	8.61
Total	348.39	351.48
Dues from related parties included in above (Refer note 31)	84.59	13.37

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16. Cash and Cash Equivalents

Cash and Cash equivalents (as per AS 3 Cash Flow Statements)

	As at 31.03.2016 Rs. Crores	As at 31.03.2015 Rs. Crores
Bank balances		
(i). In current accounts	93.90	1.09
(ii). Deposits with original maturity for less than 3 months	6.31	-
	100.21	1.09
Other Bank balances		
(i) As margin money (Refer note below)	0.84	-
Total Cash and Cash Equivalents	101.05	1.09

Margin money (including long term deposits in other non current asset with balance maturity period of more than 12 months) of Rs. 5.04 Crs has been pledged/lien against the bank guarantees.

17. Other Current Assets

	As at 31.03.2016 Rs. Crores	As at 31.03.2015 Rs. Crores
(a). Unbilled Revenue	0.93	17.55
(b). Unamortised long-term loan issue expenses	4.91	0.41
(c). Forward cover receivables	20.54	
(d). Interest accrued on deposits	0.35	-
Total Other Current Assets	26.73	17.96

18. Revenue from Operations

	For the year ended 31.03.2016 Rs. Crores	For the year ended 31.03.2015 Rs. Crores
(a). Income from port operations	562.82	741.68
(b). Share of freight revenue from railways	169.03	168.12
(c). Other operating revenues	0.63	1.44
Total Revenue from Operations	732.48	911.24

19. Other Income

	For the year ended 31.03.2015 Rs. Crores	For the year ended 31.03.2015 Rs. Crores
(a). Interest income on :		
(i) Bank Deposits	0.72	0.59
(ii) Advances & deposits	2.56	0.80
(iii) Overdue receivable	5.78	-
(b). Net gain on sale of current investments	2.19	8.13
(c). Liabilities/Provisions written back	5.23	39.34
(d). Net gain on foreign currency transactions		-
Total Other Income	16.48	48.86

20. Operating Expenses

	For the year ended 31.03.2016 Rs. Crores	For the year ended 31.03.2015 Rs. Crores
(a). Handling and storage expenses	61.26	70.94
(b). Customer claims (Refer note 7[d])	3.78	-
(c). Tug and pilotage charges	36.38	44.35
(d) Railway operating expenses	16.47	20.68
(e). Power and fuel	34.12	34.63
(f). Maintenance dredging	14.50	45.32
(g). Repairs to buildings	1.76	5.69
(h). Repairs to plant and machinery	5.74	7.45
(i). Stores and spares parts consumed	12.41	8.76
(j). Revenue sharing with Government	36.62	45.49
Total Operating Expenses	223.04	283.31

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	For the year ended 31.03.2016 Rs. Crores	For the year ended 31.03.2015 Rs Crores
21. Employee Benefits Expense		
(a). Salaries and wages	19.18	20.05
(b). Contribution to provident and other funds	1.66	0.83
(c). Staff welfare expenses	1.35	2.05
Total Employee Benefits Expense	22.19	22.93

	For the year ended 31.03.2016 Rs. Crores	For the year ended 31.03.2015 Rs. Crores
22. Finance Costs		
(a). Interest expense		
(i) Interest on loans	177.58	322.88
(ii) Interest others	0.05	10.56
(b). Other borrowing costs		
Amortisation of loan issue expenses	8.81	16.69
	186.44	350.13
(c) (Gain)/Loss on derivatives/Swap Contracts (net)	(16.18)	-
Total Finance cost	170.26	350.13

	For the year ended 31.03.2016 Rs. Crores	For the year ended 31.03.2015 Rs. Crores
23. Other Expenses		
(a). Repairs to others	1.57	0.34
(b). Electricity expenses	0.19	0.31
(c). Rent	0.88	0.99
(d). Rates and taxes	0.24	1.14
(e). Insurance charges	3.01	4.72
(f). Net loss on foreign currency transactions	2.54	0.56
(g). Payment to auditors (Refer note below)	0.27	0.16
(h). Legal and other professional costs	3.55	3.99
(i). Advertisement, promotion and selling expenses	0.49	0.30
(j). Travelling expenses	4.09	4.48
(k). Bank charges	2.78	1.79
(l) Security expenses	3.23	3.34
(m). Corporate Social Responsibility Expenses	2.46	2.16
(n). Other general expenses	4.41	5.70
(o) Provision for doubtful debts	0.60	0.02
Total Other Expenses	30.31	30.00
Note : Payment to auditors		
- Statutory audit	0.14	0.13
- Tax audit	0.02	0.02
- Other matters	0.11	-
- Out of pocket expenses	0.01	0.01
	0.27	0.16

	For the year ended 31.03.2016 Rs. Crores	For the year ended 31.03.2015 Rs. Crores
24. Earnings Per Share		
i). Profit/ (Loss) for the year attributable to equity shareholders	114.47	70.56
ii). Weighted average no.of equity shares for basic and diluted EPS (Nos)	1,148,000,000	675,260,274
iii). Nominal value per equity share (Rs.)	10.00	10.00
iv). Earnings/(Loss) per equity share for the year (Rs.) - Basic	1.00	1.04
v). Earnings/(Loss) per equity share for the year (Rs.) - Diluted	1.00	1.04

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	As at 31.03.2016 Rs. Crores	As at 31.03.2015 Rs. Crores
25. Capital Work In Progress includes Expenditure during Construction Period/New Projects and Capital Inventory, details of which are as follows:		
A. Project Expenditure	625.75	181.34
B. Capital Inventory	25.63	14.86
C Expenditure during Construction Period :		
Depreciation	6.24	0.78
Interest	33.62	-
Total Capital Work In Progress (A + B + C)	691.24	196.98

	As at 31.03.2016 Rs. Crores	As at 31.03.2015 Rs. Crores
26. Contingent Liabilities		
i). Various matters pending with service tax authorities	8.61	5.67
ii). Export obligation under Export Promotion Capital Goods (EPCG) Scheme *(Refer Note 2)*	372.21	363.83
iii) Other Matters	1.32	1.15
	382.14	370.65

Note:-

1 Future cash flows in respect of the above matters are determinable only on receipt of decisions pending at various forums/ authorities.

2 The Company has imported certain Plant and Machinery with concessional rate of custom duty at 3% for its Port project under Export Promotion Capital Goods (EPCG) scheme for which an export obligation pending as at 31 March 2016, is amounting to Rs. 372.21 crores (March 31, 2015: Rs. 363.83) which is equivalent to duty saved amounting to Rs 46.53 crores (March 31, 2015: Rs. 45.48). The said Export obligation has to be fulfilled over the financials years 2015-21.

	As at 31.03.2016 Rs. Crores	As at 31.03.2015 Rs. Crores
27. CIF Value of Imports		
Capital goods	3.21	0.12
	3.21	0.12

	As at 31.03.2016 Rs. Crores	As at 31.03.2015 Rs. Crores
28. Commitments		
Capital Commitments		
Estimated value of contracts on capital account remaining to be executed (Net of advances)	1,014.35	1,045.02
	1,014.35	1,045.02

	As at 31.03.2016 Rs. Crores	As at 31.03.2015 Rs. Crores
29. Expenditure in foreign currency (On accrual basis)		
Professional fees	0.06	1.52
Repair & Maintenance	1.50	-
Bank interest & upfront fees	29.59	-
	31.15	1.52

	As at 31.03.2016 Rs. Crores	As at 31.03.2015 Rs. Crores
30. Earning in foreign currency		
Marine port handling services	178.21	155.79
	178.21	155.79

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The Dhamra Port Company Limited

31. Related Party Transactions

Name of the related party	Nature of Relationship
Adani Port and SEZ Limited	Holding company
Adani Enterprise Limited	Holding company (Upto 7th June 2015) Entities over which Key Managerial persons, Directors and their relatives are able to exercise significant influence (w.e.f 8th June 2015)
Adani Logistics Limited	Fellow subsidiary
Adani Kandla Bulk Terminal Pvt Ltd	Fellow subsidiary
Adani Ennore Container Terminal Pvt.Ltd	Fellow subsidiary
Adani Vizag Coal Terminal Pvt Ltd	Fellow subsidiary
Karnavati Aviation Pvt Limited	Fellow subsidiary
Adani Power Limited	Fellow subsidiary (Upto 7th June 2015) Entities over which Key Managerial persons, Directors and their relatives are able to exercise significant influence (w.e.f 8th June 2015)
Adani Bunkering Pvt Ltd	Entities over which Key Managerial persons, Directors and their relatives are able to exercise significant influence
Dhamra LNG Terminal Pvt Limited	Subsidiary company (w.e.f 4th Sept 2015)
Dhamra LPG Terminal Pvt Limited	Subsidiary company (w.e.f 24th Aug 2015)
Key Managerial Person: -	
Mr Santosh Kumar Mohapatra	Executive Director (Upto 28th July 2015)
Mr Subrat Tripathy	Director and Chief Executive Officer
Mr Rakesh Shah	Chief Financial Officer (w.e.f 1st Feb 2016)
Mr Santanu Panda	Chief Financial Officer(upto 31st Jan 2016)

Related party Transactions

Rs. Crores

Name of the related party	Nature of transaction	Year Ended 31.03.2016	Year Ended 31.03.2015
Adani Port and SEZ Limited	Purchase of services	74.45	72.99
	Equity Received	-	500.00
	Inter Corporate deposit received	921.75	1,550.55
	Inter Corporate deposit repaid	1,390.20	552.50
	Interest expense	63.20	15.73
Adani Enterprise Limited	Sale of services	101.09	22.09
	Purchase of services	1.84	12.96
Karnavati Aviation Pvt Limited	Service Availed	1.72	-
Adani Logistics Limited	Sale of services	19.93	38.68
Adani Power Limited	Sale of services	1.68	2.12
Adani Kandla Bulk Terminal Pvt.Ltd	Purchase of Material	0.02	0.19
Adani Vizag Terminal Pvt. Ltd	Purchase of Material	-	0.36
Adani Ennore Container Terminal Pvt Ltd	Purchase of Material	0.61	-
Adani Bunkering Pvt Ltd	Interest Income	0.40	-
	Advance Given	25.00	-
Mr S.K. Mohapatra	Remuneration	0.57	2.42
Mr. Subrat Tripathy	Remuneration	1.58	1.07
Mr. Rakesh Shah	Remuneration	0.07	-
Mr. Santanu Panda	Remuneration	0.28	0.29
Name of the related party	**Nature of outstanding**	**Year Ended 31.03.2016**	**Year Ended 31.03.2015**
Adani Ports & SEZ Limited	Trade Payable	22.04	8.59
	Other current Liability	21.59	17.83
	Inter Corporate Deposit	529.60	998.05
Adani Enterprise Limited	Trade Receivable	57.38	5.06
	Trade Payable	0.18	-
Adani Bunkering Pvt Ltd	Loans & Advances	25.00	-
	Interest Receivable	0.36	-
Adani Logistics Limited	Trade Receivable	3.02	5.75
Adani Power Limited	Trade Receivable	4.19	2.56

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The Dhamra Port Company Limited

32. Employee Benefits

Defined Contribution plans

	For the year ended 31.03.2016	For the year ended 31.03.2015
	Rs. Crores	Rs. Crores
Provident Fund	0.96	0.77
Superannuation Fund	-	0 01
Total	0.96	0.78

Defined Benefit Plans

The Company makes annual contribution to the Employee's Group Gratuity-cum-Life Assurance scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to a maximum of Rs. 10 lacs. Vesting occurs upon completion of five years of service

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

Funded . Gratuity *(Included as part of "Contribution to provident and other funds" in Note 22 - Employee Benefit Expense)*

Details of the Gratuity Plan are as follows

	Description	2015-16	2014-15
		Rs. Crores	Rs. Crores
1	**Reconciliation of opening and closing balances of obligation**		
	a. Obligation as at beginning of the year	0.79	0.70
	b. Current service cost	0.30	0.15
	c. Interest cost	0 06	0 06
	d. Acquisition Cost/(Credit)	-	0 51
	e Actuarial (gain)/loss	0.40	(0.10)
	f Benefits paid	(0.06)	(0.53)
	g. Obligation as at end of the year	1.49	0.79
2.	**Change in fair value of plan assets**		
	a. Fair value of plan assets as at beginning of the year	0.81	0.53
	b. Acquisition adjustment	-	-
	c. Expected return on plan assets	0.07	0.03
	d Actuarial gain/(loss)	0.01	0.02
	e. Contributions made by the company	0.41	0.41
	f. Benefits paid	(0.06)	(0.18)
	g. Fair value of plan assets as at end of the year	1.24	0.81
3.	**Reconciliation of fair value of plan assets and obligations**		
	a. Present value of obligation as at end of the year	1.49	0 79
	b. Fair value of plan assets as at end of the year	1.24	0.81
	c. Amount recognised in the balance sheet Asset/(Liability)	(0.25)	0.02
4.	**Expenses recognised during the year**		
	a Current service cost	0 30	0.15
	b. Interest cost	0.06	0.02
	c. Expected return on plan assets	(0.07)	-
	d. Past Service Cost	-	-
	e. Actuarial (gain)/loss	0.39	(0.12)
	f. Expenses recognised during the year	0.69	0.05
5.	**Investment details**	% Invested	% Invested
	a. Cash at Bank	-	-
	b. Others (Funds with Life Insurance Corporation of India)#	100.00	100.00
	# Break up has not provided by the Insurance Company	100.00	100.00
6.	**Assumptions**	%	%
	a. Discount rate (per annum)	7.90%	7.96%
	b. Estimated rate of return on plan assets (per annum)	7.96%	7.96%
	c. Rate of escalation in salary	9.00%	8.50%
	d. Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Note:

The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

7.	Experience adjustments	31.03.2016	31.03.2016	31.03.2014	31.03.2013	31.03.2012
a.	Present value of obligation	1.49	0 79	0 79	0 67	0 55
b.	Fair value of plan assets	1.24	0.81	0 81	0.49	0 46
c	Amount recognised in the balance sheet Asset/(Liability)	(0.25)	0.02	0 02	(0 18)	(0 09)
d.	Experience adjustments on plan liabilities ((gain)/loss)	0 30	(0 03)	(0 10)	0 02	0 03
e	Experience adjustments on plan assets (gain/(loss))	(0 01)	(0 02)	-	0 03	-

33. The East Coast Railway (ECoR) uses the Company's railway line between Dhamra and Bhadrak for transport of goods in accordance with the policy for participative models in rail-connectivity and capacity augmentation issued by Railway Board vide the policy letter No.2011/Infra/12/32 dated 10 December, 2012

The Non Government Railway Agreement has been signed between Ministry of Railway (MoR) & The Dhamra Port Company Ltd on 01.11 15 and as per the provisions made in the Agreement , apportionment of railway revenue shall be calculated from the date of signing the agreement Before finalization of the agreement, share of revenues of Rs. 107.81 Crores from ECoR has been computed and recognized during the period from 1st April 2015 to 31st October 2015 as per the principles specified in the letter dated 20 December, 2013 received from EcoR After finalization of the agreement, share of revenues of Rs. 61.24 Crores has been recognized in books for the period 1st November 2015 to 31st March 2016 Total outstanding receivable from ECoR as at 31 March, 2016 is Rs. 174.86 Crores (Previous year 152 33 Crores) for which management is confident of recovery eventhough the amounts are received from Railways on piecemeal basis

34. Segment Reporting

The Company is operating an all weather modern deep sea port at Dhamra in the state of Odisha, under a concession awarded by the Government of Odisha on Build-Own-Operate-Share-Transfer (BOOST) basis for a period of 34 years (including four years for construction) Hence Port Operations is the only reportable business segment in accordance with Accounting Standard 17 - Segment Reporting Further since all the operations of the Company are in India, there are no geographical segements

35. Foreign Currency Exposures

Hedged Foreign Currency Exposures :

The Company takes various types of derivative instruments to hedge its oustanding loans, interest payments, interest costs and USD denominated income. The category-wise outstanding position ofderivative instruments is as under

Nature	Purpose	Currency	As at 31.03.2016	As at 31.03.2015
Forward Contract	Hedging of expected future billing based on foreign currency denominated tariff of USD 17 36 Million (previous year Nil)	USD	173,600,000	-
Forward Contract	Hedging of foreign currency term loan installment liability of USD 15.00 million equivalent to Rs.99.38 crores (previous year Nil)	USD	15,000,000	-
Option Contract	Hedging of foreign currency term loan installment liability of USD 32 24 million equivalent to Rs.2136 21 crores (previous year Nil)	USD	322,422,090	-
			511,022,090	-

Unhedged Foreign Currency Exposures :

	Currency	As at 31.03.2016 Amount In Foreign Currency	Amount Rs. Crores	As at 31.03.2016 Amount In Foreign Currency	Amount Rs. Crores
i) Foreign Currency Loan	USD	89,414,176 45	592 41	-	-
ii) Interest accrued but not due	USD	5,403 31	0 04	-	-
iii) Capital Creditors	USD	2,331,225 00	15.45	2,331,225 00	14 57
iv). Trade payables	GBP	847 26	0 01	-	-
	EUR	71,250 00	0 54	9,335 80	0 06
	USD	10,411.89	0.07	-	-
Total			608.51		14.63

Conversion rates on 31.03.2016		Conversion rates on 31.03.2015	
INR/USD	66 2550	INR/USD	62 5000
INR/GBP	95.4720	INR/EUR	67 1900
INR/EUR	75 3950		

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36. **Due to micro and small enterprises**
Based on and to the extent of information obtained from suppliers by the management regarding their status as Micro, Small or Medium enterprises under Micro, Small and Medium Enterprises Development ("MSMED") Act, 2006, there are no disclosures required to be made under section 22 of the MSMED Act. This has been relied upon by the auditors.

37. Previous year's figures have been regrouped/reclassified where necessary to conform with figures for the current year

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval

Kartikeya Raval
Partner

Place : Ahmedabad
Date May 2, 2016

For and on behalf of the Board of Directors of
The Dhamra Port Company Limited

Unmesh Abhyankar
[Director]
DIN : 03040812

Subrat Tripathy
[Director & CEO]
DIN - 06890393

Dibyaranjan Mishra
[Company Secretary]

Rakesh Kumar Shah
[Chief Financial Officer]

Place : Bhubaneswar
Date : 2nd May, 2016