

Independent Auditor's Report

To the Members of Adani Ennore Container Terminal Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of Adani Ennore Container Terminal Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS Financial Statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 Ind AS 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 Ind AS Financial Statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 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 Ind AS 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 Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the financial position of the Company as at 31st March, 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Independent Auditor's Report

To the Members of Adani Ennore Container Terminal Private Limited (Continue)

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 "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss, the Statement Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) on the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 B';
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The company did not hold or transact in cash during the entire year. Accordingly requisite disclosure as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 in its Ind AS Financial Statements is not done.

Place : Ahmedabad
Date : 29th April 2017

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

Anuj Jain
Partner
Membership No. 119140

Annexure – A to the Independent Auditor’s Report
RE: Adani Ennore Container Terminal Private Limited

(Referred to in Paragraph 1 of our Report of even date)

The Annexure referred to in our Independent Auditor’s Report to the members of the Company on the Ind AS Financial Statements for the year ended 31st March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business.
- (c) The company does not hold any immovable property. Accordingly the provisions of paragraph 3 (i)(c) of the Order are not applicable.
- (ii) The Company being in the construction stage carries only Capital Inventory. Accordingly the provisions of paragraph 3 (ii) (a) & (b) of the Order is not applicable.
- (iii) According to the information and explanation given to us and the records produced to us for our verification, the company has not granted loans, 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 paragraph 3 (iii) (a) to (c) of the Order are not applicable.
- (iv) According to the information and explanations given to us and representations made by the Management, the Company has not done any transactions covered under section 185 and 186 in respect of loans, investments, guarantees and security. Accordingly the provisions of paragraph 3 (iv) of the Order are not applicable.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The company has not done any commercial activity during the year under review. Accordingly, the maintenance of cost records under section 148(1) of the Act as prescribed by the Central Government is not applicable to the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees’ state insurance, provident fund and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of applicable statutory dues as referred to above were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and representations made by the Management, there are no statutory dues as mentioned in paragraph 3(vii)(a) which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, it has not defaulted in repayment of loans or borrowings from Banks. The Company has not taken any loan from financial institutions or from the government and has not issued any debentures.

Annexure to the Independent Auditor's Report (Continue)
RE: Adani Ennore Container Terminal Private Limited

(Referred to in Paragraph 1 of our Report of even date)

- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid /provided. Accordingly the provisions of Clauses 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a nidhi Company. Accordingly the provisions of Clauses 3 (xii) of the Order are not applicable.
- (xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 177 and 188 of Companies Act 2013 and all the details have been disclosed in Ind AS Financial Statements as required by the applicable Accounting Standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any debenture during the year under review. Accordingly the provisions of paragraph 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records, Company has not entered into any non-cash transactions with any director or any person connected with him. Accordingly the provisions of Clauses 3(xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable.

Place : Ahmedabad
Date : 29th April 2017

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

Anuj Jain
Partner
Membership No. 119140

Annexure – B to the Independent Auditor’s Report
RE: Adani Ennore Container Terminal Private Limited

(Referred to in paragraph 2 (f) of our Report of even date)

Report on the Internal Financial Controls 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 Company as of 31st March, 2017 in conjunction with our audit of the Ind AS Financial Statements of the company for the year ended on that date.

Management’s Responsibilities 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.

Auditors’ 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, issued by ICAI and deemed to be prescribed 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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.

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 authorizations of management and directors of the company; and

Annexure – B to the Independent Auditor’s Report (Continue)
RE: Adani Ennore Container Terminal Private Limited

(Referred to in paragraph 2 (f) of our Report of even date)

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, 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.

Place : Ahmedabad
Date : 29th April 2017

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

Anuj Jain
Partner
Membership No. 119140

Adani Ennore Container Terminal Private Limited
Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Notes	` in Lacs	
		March 31, 2017	March 31, 2016
INCOME			
Other income	13	1,263.00	-
Total income		1,263.00	-
EXPENSES			
Finance costs	14	1,274.09	-
Other expenses	15	2.88	3.34
Total expense		1,276.97	3.34
(Loss) before exceptional items and tax		(13.97)	(3.34)
Exceptional items		-	-
(Loss) before tax		(13.97)	(3.34)
Tax expense:		-	-
Income tax expense		-	-
(Loss) for the year		(13.97)	(3.34)
Other Comprehensive Income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans		-	-
Income Tax effect		-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		(13.97)	(3.34)
Basic and diluted earnings per equity shares (in `) face value of ` 10 each	19	(27.94)	(6.68)

Summary of Significant accounting policies 2.1

The accompanying notes form an integral part of financials statements
As per our report of even date

For Dharmesh Parikh & Co.
Chartered Accountants
Firm Registration No.: 112054W

For and on behalf of Board of Directors of
Adani Ennore Container Terminal Private Limited

per Anuj Jain
Partner
Membership No. 119140

G.J.Rao
Managing Director
DIN: 01724002

Karan Adani
Director
DIN: 03088095

Place: Ahmedabad
Date: April 29, 2017

Place: Ahmedabad
Date: April 29, 2017

Adani Ennore Container Terminal Private Limited
Statement of Changes in Equity for the year ended March 31, 2017

in Lacs

Particulars	Equity Share Capital	Other Equity		Total
		Reserves and Surplus		
		Retained Earning		
As on April 01, 2016	5.00	(4.33)		0.67
Profit for the year		(13.97)		(13.97)
Other Comprehensive Income				
Total Comprehensive Income for the year	-	(13.97)		(13.97)
As on March 31, 2017	5.00	(18.30)		(13.30)

Statement of Changes in Equity for the year ended March 31, 2016

in Lacs

Particulars	Equity Share Capital	Other Equity		Total
		Reserves and Surplus		
		Retained Earning		
As on April 01, 2015	5.00	(0.99)		4.01
Profit for the year		(3.34)		(3.34)
Other Comprehensive Income				
Total Comprehensive Income for the year	-	(3.34)		(3.34)
As on March 31, 2016	5.00	(4.33)		0.67

For Dharmesh Parikh & Co.
Chartered Accountants
Firm Registration No.: 112054W

For and on behalf of Board of Directors of
Adani Ennore Container Terminal Private Limited

per Anuj Jain
Partner
Membership No. 119140

G.J.Rao Karan Adani
Managing Director Director
DIN: 01724002 DIN: 03088095

Place: Ahmedabad
Date: April 29, 2017

Place: Ahmedabad
Date: April 29, 2017

Adani Ennore Container Terminal Private Limited
Statement of Cash Flows for the year ended March 31, 2017

in Lacs

Particulars	Notes	March 31, 2017	March 31, 2016
Cash flow from operating activities			
Profit before tax as per statement of profit and loss		(13.97)	(3.34)
Adjustments for:			
Unrealised exchange rate (gain)		(1,638.61)	-
Unrealised loss on derivative swap contracts (net)		1,249.88	-
Operating profit before working capital changes		(402.70)	(3.34)
Movements in working capital :			
(Increase) in financial assets		(7.71)	(10,056.20)
(Increase) in other assets		(691.13)	(1,673.41)
Increase in other liabilities		702.19	29.39
(Decrease)/Increase in financial liabilities		(664.02)	1.60
Cash generated from operations		(1,063.37)	(11,701.96)
Direct taxes paid (net)		(117.50)	(16.10)
Net cash flow from operating activities (A)		(1,180.87)	(11,718.06)
Cash flows from investing activities			
Purchase of fixed assets (Including capital work In progress and capital advances)		(38,111.13)	(22,784.19)
Interest received		(1,057.50)	-
Net cash inflow (used in) investing activities (B)		(39,168.63)	(22,784.19)
Cash flows from financing activities			
Proceeds from /(Repayment) of long-term borrowings (net)		33,177.07	(992.59)
Proceeds from intercorporate deposit (net)		8,242.25	34,820.74
Interest paid		(772.09)	1,209.89
Net cash flow (used in) financing activities (C)		40,647.23	35,038.04
Net increase / (decrease) in cash & cash equivalents (A + B + C)		297.73	535.79
Cash & cash equivalents at the beginning of the year		755.63	219.84
Cash & cash equivalents at the end of the year (Refer note-16)		1053.36	755.63

Notes:

Component of Cash and Cash equivalents

Balances with scheduled bank

On current accounts

Total cash and cash equivalents

1,053.36 755.63

1,053.36 755.63

Summary of significant accounting policies 2.1

The accompanying note are an integral part of the financial statements

(1) The Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows issued by the Institute of Chartered Accountants of India.

As per our report of even date

For Dharmesh Parikh & Co.
Chartered Accountants
Firm Registration No.: 112054W

For and on behalf of Board of Directors of
Adani Ennore Container Terminal Private Limited

per Anuj Jain
Partner
Membership No. 119140

G.J.Rao Managing Director
DIN: 01724002
Karan Adani Director
DIN: 03088095

Place: Ahmedabad
Date: April 29, 2017

Place: Ahmedabad
Date: April 29, 2017

Adani Ennore Container Terminal Private Limited
Notes to Financial statements for the year ended March 31, 2017

1 Corporate information

Adani Ennore Container Terminal Private Limited (‘the Company’) was incorporated on February 18, 2014 as a 100% subsidiary of Adani Ports and Special Economic Zone Limited. The Company has objective to develop and operate Container Terminal(s) Near Ennore at Tamilnadu. The Company has been awarded letter of award dated February 14, 2014 for the above project from The Board of Ennore Port Limited duly approved by the Union Government.

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. Refer to note 3.1 for information on how the Company adopted Ind AS

The Financial Statements have been prepared on the historical cost basis, except for certain financial instruments (including derivative instruments) which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

2.1 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

c) Property, plant and equipment (PPE)

Under the previous GAAP (Indian GAAP), Fixed assets (including Capital work in progress) are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalization criteria are met directly attributable cost of bringing the asset to its working condition for the intended use. The company has elected to regard previous GAAP carrying values of property as deemed cost at the date of transition to Ind AS.

Property, plant and equipment (including Capital work in progress) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, The company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Company adjusts exchange differences arising on translation difference/settlement of long term foreign currency monetary items outstanding as at March 31, 2016 and pertaining to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset. The depreciation on such foreign exchange difference is recognised from first day of the financial year.

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.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013. except for the assets mentioned below for which useful lives estimated by the management. The Identified component of fixed assets are depreciated over their useful lives and the remaining components are depreciated over the life of the principal assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The Company has estimated the following useful life to provide depreciation on its certain fixed assets based on assessment made by expert and management estimate.

An item of property, plant and equipment covered under Concession agreement, sub-concession agreement and supplementary concession agreement, shall be transferred to and shall vest in Grantor (government authorities) at the end of respective concession agreement. In cases, where the Company is expected to receive consideration of residual value of property from grantor at the end of concession period, the residual value of contracted property is considered as the carrying value at the end of concession period based on depreciation rates as per management estimate/Schedule II of the Companies Act, 2013 and in other cases it is Nil.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Adani Ennore Container Terminal Private Limited
Notes to Financials statements for the year ended March 31, 2017

d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Estimated Useful Life
Software	5 Years or useful life whichever is less

e) Foreign Currency Translation

The Company's financial statements are presented in INR, which is also the parent company's functional currency. The Company determines the functional currency and items included in the financial statements of are measured using that functional currency.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition.

ii) Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date

iii) Exchange Differences

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception stated under Clause 3.1 (b), for which the treatment is as below

i. Exchange differences arising on long-term foreign currency monetary items (including funds used for projects work in progress) related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset

ii. 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

f) Employees Retirement Benefits

i) Defined contribution plan : Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

ii) Defined benefit plan :The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- > Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- > Net interest expense or income

iii) Compensated Absences :- Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The company measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimate that has accumulated at the reporting date.

iv) Short term employee benefits :- They are recognised at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are received.

g) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h) Segment Reporting

In accordance with the Ind-As 108 -" Operating Segments" , the Company is primarily engaged in the business of developing, operating and maintaining the Port and Port based related infrastructure facilities. Since there are no other business segments in which the Company operates, there are no other primary reportable segments. Therefore, the segment revenue, results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statement.

i) Related Party Transactions

Disclosure of transactions with Related Parties, as required by Ind-As 24 "Related Party Disclosures" has been set out in a separate note. Related parties as defined under Ind-As 24 have been identified on the basis of representations made by key managerial personnel and information available with the Company.

Adani Ennore Container Terminal Private Limited
Notes to Financials statements for the year ended March 31, 2017

j) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 01, 2015 the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

The Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that The Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term

k) Earnings per share

The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year.

l) Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, The Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When 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 assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of The company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Intangible assets with indefinite useful lives are tested for impairment annually as at year end at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

m) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a 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. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n) Expenditure

Expenditures are accounted net of taxes recoverable, wherever applicable.

o) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- > In the principal market for the asset or liability, or
- > In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Adani Ennore Container Terminal Private Limited

Notes to Financials statements for the year ended March 31, 2017

- > Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- > Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- > Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

External valuers are involved for valuation of unquoted financial assets and financial liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Management. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with The Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per The Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on a yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets, except investment in subsidiaries, associates and joint ventures are recognised initially at fair value.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- > Debt instruments at amortised cost
- > Debt instruments at fair value through other comprehensive income (FVTOCI)
- > Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- > Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- > The rights to receive cash flows from the asset have expired, or
- > The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Adani Ennore Container Terminal Private Limited
Notes to Financials statements for the year ended March 31, 2017

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure :

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances
- b) Financial assets that are debt instruments and are measured as at other comprehensive income (FVTOCI)
- c) Lease receivables under Ind AS 17
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- > Trade receivables or contract revenue receivables; and
- > All lease receivables resulting from transactions within the scope of Ind AS 17

Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk said initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cashflows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / (expense) in the statement of profit and loss (P&L). This amount is reflected under the head " Other Expense" in the P&L.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, The Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at FVTPL.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

q) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value through profit or loss (FVTPL) on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivative financial instrument are recognised in the statement of profit and loss and reported with foreign exchange gains/(loss) not within results from operating activities. Changes in fair value and gains/(losses) on settlement of foreign currency derivative financial instruments relating to borrowings, which have not been designated as hedge are recorded as finance expense.

r) Applicability of other Accounting Standards

Though other Accounting Standards also apply to the company by virtue of the Companies Act, 2013, no disclosure for the same is being made as the Company has not done any transaction to which the said Accounting Standard apply.

Adani Ennore Container Terminal Private Limited
Explanatory Notes to Financials statements for the year ended March 31, 2017

3 Explanatory Notes

These financial statements of Adani Ennore Container Terminal Private Limited ('AECTPL' or Company) for the year ended March 31, 2017 have been prepared in accordance with Ind AS. This is Company's first set of financial statements in accordance with Ind AS. For the purposes of transition to Ind AS, the company has followed the guidance prescribed under Ind AS 101- First Time adoption of Indian Accounting Standard, with April 1, 2015 as the transition date and IGAAP as previous GAAP.

The transition to Ind AS has resulted in the changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies in note 2 have been applied in preparing the financial statements for the year ended on March 31, 2017 and the comparative. An explanation of how the previous GAAP to Ind AS has affected the company's Financial statements is set below. Further, Exemption on first time adoption of Ind AS availed in accordance with Ind AS have been set out in note 3.1

3.1 Options availed on the first time adoption of Ind AS 101

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following Ind AS 101 exemptions from the transition date i.e. April 01, 2015 :

- (a) The Company has elected to avail exemption under Ind AS 101 to use India GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment and intangible assets as per the statement of financial position prepared in accordance with previous GAAP.
- (b) The Company has elected to avail exemption under Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding and recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.
- (c) Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.
- (d) Estimates :
The estimates at April 01, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:
> Impairment of financial assets based on the risk exposure and application of ECL model
The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2015, the date of transition to Ind AS and as of March 31, 2016.

3.2 Significant accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Adani Ennore Container Terminal Private Limited
Explanatory Notes to Financials statements for the year ended March 31, 2017

3.3 Reconciliation of equity as at April 01, 2015 and March 31, 2016

	Foot- notes	March 31, 2016 (Last period presented under IGAAP)			April 01, 2015 (Date of transition)		
		IGAAP	Adjustments	Ind AS	IGAAP	Adjustments	Ind AS
in Lacs							
ASSETS							
Non-current assets							
Property, plant and equipment		87.59	-	87.59	89.33	-	89.33
Capital work-in-progress	(a)	25,453.45	-	25,453.45	5,177.27	1,185.90	3,991.37
Other Intangible assets		0.16	-	0.16	-	-	-
Financial assets							
Other financial assets		10,056.74	-	10,056.74	0.54	-	0.54
Other non-current assets		7,417.25	-	7,417.25	1,985.73	-	1,985.73
		43,015.19	-	43,015.19	7,252.87	1,185.90	6,066.97
Current assets							
Financial assets							
Cash and Cash Equivalents		755.63	-	755.63	219.84	-	219.84
Others current financial assets		0.25	-	0.25	0.25	-	0.25
Other current assets		2.76	-	2.76	68.98	-	68.98
		758.64	-	758.64	289.07	-	289.07
Total Assets		43,773.83	-	43,773.83	7,541.94	1,185.90	6,356.04
EQUITY AND LIABILITIES							
EQUITY							
Equity share capital		5.00	-	5.00	5.00	-	5.00
Other equity							
Retained earnings		(4.33)	-	(4.33)	(0.99)	-	(0.99)
Other reserves		-	-	-	-	-	-
Total Equity		0.67	-	0.67	4.01	-	4.01
LIABILITIES							
Non-current liabilities							
Financial liabilities							
Borrowings	(a)	40,439.87	-	40,439.87	6,467.00	1,185.90	5,281.10
		40,439.87	-	40,439.87	6,467.00	1,185.90	5,281.10
Current liabilities							
Financial liabilities							
Other current financial liabilities		3,241.29	-	3,241.29	1,008.32	-	1,008.32
Other current liabilities		92.00	-	92.00	62.61	-	62.61
		3,333.29	-	3,333.29	1,070.93	-	1,070.93
Total liabilities		43,773.16	-	43,773.16	7,537.93	1,185.90	6,352.03
Total Equity and Liabilities		43,773.83	-	43,773.83	7,541.94	1,185.90	6,356.04

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

	Foot-note	in Lacs		
		IGAAP	Adjustments	Ind AS
EXPENSES				
Other expenses		3.34	-	3.34
Total Expense		3.34	-	3.34
Profit/(loss) before exceptional items and tax		(3.34)	-	(3.34)
Exceptional items				
Profit/(loss) before tax		(3.34)	-	(3.34)
Tax expense:				
Income tax expenses		-	-	-
Profit/(Loss) for the year		(3.34)	-	(3.34)
Other Comprehensive Income				
(a) Items that will not be reclassified to profit and loss in subsequent period				
Re-measurement gains (losses) on defined benefit plans		-	-	-
Income Tax effect		-	-	-
(b) Items that will be reclassified to profit and loss in subsequent period		-	-	-
Other Comprehensive Income for the year		-	-	-
Total Comprehensive Income for the year		(3.34)	-	(3.34)

Footnotes to the reconciliation of profit and loss for the year ended March 31, 2016 and equity as at April 01, 2015 and March 31, 2016 :

(a) **Fair valuation for Financial Assets and Financial Liabilities** : The Company has valued financial assets and Financial Liabilities, at fair value. Impact of fair value changes as on date of transition, is recognised in capital work in progress and changes thereafter are recognised in Statement of Profit and Loss Account or Other Comprehensive Income, as the case may be.

Adani Ennore Container Terminal Private Limited
Notes to Financials statements for the year ended March 31, 2017
Note 4 - Property, plant and equipment

in Lacs

Particulars	Tangible assets						Intangible assets	Grand Total
	Building	Plant & Machinery	Furniture & fixtures	Office equipments	Computer equipment	Total	Software	
Cost								
As at April 1, 2015	62.93	11.31	-	0.69	14.40	89.33	-	89.33
Additions	-	-	4.76	12.45	12.35	29.56	0.16	29.72
As at March 31, 2016	62.93	11.31	4.76	13.14	26.75	118.89	0.16	119.05
Additions	-	5.78	18.79	11.37	2.06	38.00	-	38.00
Deductions/Adjustment	(7.69)	(5.78)	-	-	-	(13.47)	-	(13.47)
As at March 31, 2017	55.24	11.31	23.55	24.51	28.81	143.42	0.16	143.58
Depreciation/amortisation								
As at April 1, 2015	-	-	-	-	-	-	-	-
Depreciation for the year	(21.52)	(0.76)	(0.25)	(1.77)	(7.00)	(31.30)	-	(31.30)
Deductions/(Adjustment)	-	-	-	-	-	-	-	-
As at March 31, 2016	(21.52)	(0.76)	(0.25)	(1.77)	(7.00)	(31.30)	-	(31.30)
Depreciation for the year	(19.04)	(0.78)	(0.89)	(4.73)	(8.93)	(34.37)	(0.01)	(34.38)
Deductions/(Adjustment)	2.78	0.02	-	-	-	2.80	-	2.80
As at March 31, 2017	(37.78)	(1.52)	(1.14)	(6.50)	(15.93)	(62.87)	(0.01)	(62.88)
Net Block								
As at March 31, 2017	17.46	9.79	22.41	18.01	12.88	80.55	0.15	80.70
As at March 31, 2016	41.41	10.55	4.51	11.37	19.75	87.59	0.16	87.75
As at April 1, 2015	62.93	11.31	-	0.69	14.40	89.33	-	89.33

Adani Ennore Container Terminal Private Limited
Notes to Financials statements for the year ended March 31, 2017

5 Other Financial assets

Non-current

Security and other deposits

March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
24.00	10,056.74	0.54
24.00	10,056.74	0.54

Current

Security and other deposits
Interest accrued on deposits and loans
Loans and advances to employees

10,032.74	-	-
1,057.50	-	-
7.96	0.25	0.25
11,098.20	0.25	0.25

6 Other Assets

Non Current

Capital Advances

Unsecured, considered good

March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
130.57	5,294.91	1,619.12
(A) 130.57	5,294.91	1,619.12

Others (Unsecured)

Balance with Government Authorities
Advance income tax (Net of Provision for taxation)

2,637.60	2,106.24	366.61
133.60	16.10	-
(B) 2,771.20	2,122.34	366.61
2,901.77	7,417.25	1,985.73

Current

Advances recoverable in cash or in kind

Unsecured, considered good
Unsecured, considered doubtful

-	2.76	0.04
-	-	-
-	2.76	0.04
-	-	-
(A) -	2.76	0.04

Others (Unsecured)

Prepaid Expenses
Balances with statutory/ Government authorities

51.27	-	68.94
111.26	-	-
(B) 162.53	-	68.94
162.53	2.76	68.98

7 Cash and cash equivalents

Balances with banks:

Balance in current account

March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
1,053.36	755.63	219.84
1,053.36	755.63	219.84

8 Share capital

Authorised

50,000 Equity Shares of ` 10 each (50,000 and 50,000 Equity Shares of ` 10 each as at March 31, 2016 and April 01, 2015 respectively)

March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
5.00	5.00	5.00
5.00	5.00	5.00

Issued, subscribed and fully paid up shares

50,000 Equity Shares of ` 10 each (50,000 and 50,000 Equity Shares of ` 10 each as at March 31, 2016 and April 01, 2015 respectively)

5.00	5.00	5.00
5.00	5.00	5.00

Notes:

(a) Reconciliation of the number of the shares outstanding as the beginning and end of the year:

	March 31, 2017		March 31, 2016	
	No.	` in Lacs	No.	` in Lacs
At the beginning of the year	50,000	5.00	50,000	5.00
New Shares Issued during the year	-	-	-	-
At the end of the year	50,000	5.00	50,000	5.00

(b) Terms/rights attached to equity shares:

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

Adani Ennore Container Terminal Private Limited

Notes to Financials statements for the year ended March 31, 2017

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. The distribution will be in proportion to the number of equity shares held by the shareholders

(c) Shares held by holding company

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

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
Adani Ports and Special Economic Zone Limited, the holding company and its nominee 50,000 equity shares (Previous year 50,000) of ` 10 each	5.00	5.00

(d) Details of shareholder holding more than 5% shares in the Company

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
	Nos.	Nos.	Nos.
Equity shares of ` 10 each fully paid			
Adani Ports and Special Economic Zone Limited, the holding company and its nominee	Nos. 50,000	50,000	50,000
	% Holding 100.00%	100.00%	100.00%

9 Borrowings

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
Non-Current			
Term loans			
Inter Corporate Deposit (Unsecured)	-	40,101.84	5,281.10
Supplier's Credit (Unsecured)	32,538.91	338.03	-
	32,538.91	40,439.87	5,281.10
Current			
Inter Corporate Deposit (Unsecured)	48,344.09	-	-
Total current borrowing	48,344.09	-	-
Less: Amount shown under "other current liabilities"	(48,344.09)	-	-
Net current borrowing	-	-	-
The above amount includes			
Unsecured borrowings	80,883.00	40,439.87	5,281.10
Total borrowings	80,883.00	40,439.87	5,281.10

Notes:

(i) Unsecured Loan from Adani Ports & Special Economic Zone Ltd, the holding company is chargeable @ 9%. The loan is repayable after three years from the date of the loan.

(ii) Suppliers bills accepted under foreign currency letters of credit aggregating to ` 32,538.91 Lacs (previous year ` 338.03 Lacs) carries interest @ 6 Months Libor plus 0.38% and is secured against corporate guarantee given by holding company.

10 Other financial liabilities

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
Current			
Current maturities of long term borrowings (refer note 9)	48,344.09	-	-
Interest accrued but not due on borrowings	437.80	1,209.89	-
Deposits from customers	-	1.60	-
Capital creditors, retention money and other payable	8,761.47	2,029.80	1,008.32
Provision for derivatives	1,249.88	-	-
	58,793.24	3,241.29	1,008.32

11 Net employee defined benefit liabilities

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
Current			
Provision for gratuity (refer note 20)	25.42	-	-
Provision for compensated absences	42.18	-	-
	67.60	-	-

12 Other Liabilities

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
Current			
Statutory liability	64.17	91.25	62.61
Advance from customers	-	0.75	-
	64.17	92.00	62.61

13 Other Income

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
Foreign Exchange Gain	1,263.00	-
Total Other income	1,263.00	-

14 Finance Costs

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
(Gain) /Loss on Derivatives / Swap Contracts (net)	1,274.09	-

Adani Ennore Container Terminal Private Limited

Notes to Financials statements for the year ended March 31, 2017

17 Fair Value hierarchy :

in Lacs

Particulars	As at March 31, 2017			
	Level 1	Level 2	Level 3	Total
Assets				
Investment (other than investment in joint venture and associates)	-	-	-	-
Derivative instrument	-	-	-	-
Financial Guarantees, received	-	-	-	-
Total	-	-	-	-
Liabilities				
Derivative instruments	-	1,249.88	-	1,249.88
Financial Guarantees, given	-	-	-	-
Total	-	1,249.88	-	1,249.88

18 Financial Risk objective and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations/projects and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

In the ordinary course of business, the Company is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) and other price risks such as equity price risk. It manages its exposure to these risks through derivative financial instruments by hedging transactions. It uses derivative instruments such as Cross Currency Swaps, Full 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 Company 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 market 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 manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company enters into interest rate swap contracts or interest rate future contracts to manage its exposure to changes in the underlying benchmark interest rates.

Foreign currency risk

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

a) Sensitivity

The sensitivity of profit or loss due to changes in the exchange rates arises mainly from non-derivative foreign currency denominated financial instruments (mainly financial instruments denominated in USD and SGD currencies). The same is summarized as below:

Sr. no.	Particulars	Impact on profit before tax	
		For the year ended March 31, 2017	For the year ended March 31, 2016
1	USD Sensitivity		
	RUPEES / USD – Increase by 1%	(6,575.69)	-
	RUPEES / USD – Decrease by 1%	6,575.69	-
2	EUR Sensitivity		
	RUPEES / EUR – Increase by 1%	-	-
	RUPEES / EUR – Decrease by 1%	-	-

Adani Ennore Container Terminal Private Limited

Notes to Financials statements for the year ended March 31, 2017

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are Companyed into homogenous Company's and assessed for impairment collectively. The calculation is based on exchange losses historical data.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through the use of loans from banks and financial institutions, loans from holding company and equity shares.

i) Maturities of financial liabilities

The tables below analyze the company's financial liabilities into relevant maturity groupings based on their contractual maturities:

Contractual maturities of financial liabilities as at March 31, 2017	Total Book Value	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year
Borrowings	80,883.00	48,344.09	32,538.91	-	-
Other Financial Liabilities	10,449.15	10,449.15	-	-	-
Total	91,332.15	58,793.24	32,538.91	-	-

Contractual maturities of financial liabilities as at March 31, 2016	Total Book Value	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year
Borrowings	40,439.87	-	40,439.87	-	-
Other Financial Liabilities	3,241.29	3,241.29	-	-	-
Total	43,681.16	3,241.29	40,439.87	-	-

Contractual maturities of financial liabilities as at April 01, 2015	Total Book Value	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year
Borrowings	5,281.10	-	5,281.10	-	-
Other Financial Liabilities	1,008.32	1,008.32	-	-	-
Total	6,289.42	1,008.32	5,281.10	-	-

ii) Maturities of financial assets

The tables below analyze the company's financial assets into relevant maturity groupings based on their contractual maturities:

Contractual maturities of financial assets as at March 31, 2017	Total Book Value	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year
Cash and Cash Equivalents	1,053.36	1,053.36	-	-	-
Other financial assets	11,122.20	11,098.20	24.00	-	-
Total	12,175.56	12,151.56	24.00	-	-

Contractual maturities of financial assets as at March 31, 2016	Total Book Value	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year
Cash and Cash Equivalents	755.63	-	755.63	-	-
Other financial assets	10,056.99	0.25	10,056.74	-	-
Total	10,812.62	0.25	10,812.37	-	-

Contractual maturities of financial assets as at April 01, 2015	Total Book Value	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year
Cash and Cash Equivalents	219.84	-	219.84	-	-
Other financial assets	0.79	0.25	0.54	-	-
Total	220.63	0.25	220.38	-	-

Adani Ennore Container Terminal Private Limited
Notes to Financials statements for the year ended March 31, 2017

19 Earnings per share

Profit attributable to equity shareholders of the company
Weighted average number of equity shares
Basic and Diluted earning per share (in `)

	March 31, 2017	March 31, 2016
	in Lacs	in Lacs
	(13.97)	(3.34)
	50,000	50,000
	(27.94)	(6.68)

20 Capital commitments

Particulars	in Lacs	
	March 31, 2017	March 31, 2016
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	2,696.63	41,936.43

21 Segment information

The Company is primarily engaged in the business of developing, operating and maintaining the port based terminal infrastructure facilities. The entire business has been considered as a single segment in terms of Ind AS - 108 on Segment Reporting issued by the Institute of Chartered Accountants of India. There being no business outside India, the entire business has been considered as single geographic segment.

22 Disclosures as required by Ind AS - 19 Employee Benefits

The company has a defined gratuity plan. Under the plan every employee who has completed at least five year of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The following tables summarise the component of the net benefits expense recognised in the statement of profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plan.

Gratuity

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

Particulars	in Lacs	
	March 31, 2017	March 31, 2016
Present value of the defined benefit obligation at the beginning of the year	-	-
Current service cost	11.48	-
Past Service Cost	16.08	-
Interest cost	1.27	-
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	(6.43)	-
- experience variance	3.02	-
Benefits paid	-	-
Present value of the defined benefit obligation at the end of the year	25.42	-

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

Particulars	in Lacs	
	March 31, 2017	March 31, 2016
Fair value of plan assets at the beginning of the year	-	-
Investment income	-	-
Contributions by employer	-	-
Benefits paid	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Fair value of plan assets at the end of the year	-	-

c) Net asset/(liability) recognised in the balance sheet

Contribution to	in Lacs	
	March 31, 2017	March 31, 2016
Present value of the defined benefit obligation at the end of the year	25.42	-
Fair value of plan assets at the end of the year	-	-
Amount recognised in the balance sheet	(25.42)	-
Net (liability)/asset - Current	25.42	-
Net (liability)/asset - Non-current	-	-

d) Expense recognised in the statement of profit and loss for the year

Particulars	in Lacs	
	March 31, 2017	March 31, 2016
Current service cost	-	-
Interest cost on benefit obligation	-	-
Total Expenses included in employee benefits expense	-	-

e) Recognised in the other comprehensive income for the year

Particulars	in Lacs	
	March 31, 2017	March 31, 2016
Actuarial (gain)/losses arising from	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	-	-
- experience variance	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Recognised in comprehensive income	-	-

f) Maturity profile of Defined Benefit Obligation

Particulars	in Lacs	
	March 31, 2017	March 31, 2016

Adani Ennore Container Terminal Private Limited

Notes to Financials statements for the year ended March 31, 2017

Weighted average duration (based on discounted cashflows)	13 years	-
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g) Quantitative sensitivity analysis for significant assumption is as below

Increase/(decrease) on present value of defined benefits obligation at the end of the year

Particulars	March 31, 2017		March 31, 2016	
	Discount rate			
Sensitivity level	1% Increase	1% Decrease	% Increase	% Decrease
Impact on defined benefit obligations	in Lacs (3.04)	in Lacs 3.60	in Lacs -	in Lacs -

Particulars	March 31, 2017		March 31, 2016	
	Salary Growth rate			
Sensitivity level	1% Increase	1% Decrease	% Increase	% Decrease
Impact on defined benefit obligations	in Lacs 3.58	in Lacs (3.08)	in Lacs -	in Lacs -

Particulars	March 31, 2017		March 31, 2016	
	Attrition rate			
Sensitivity level	50% Increase	50% Decrease	% Increase	% Decrease
Impact on defined benefit obligations	in Lacs (1.39)	in Lacs 1.49	in Lacs -	in Lacs -

Particulars	March 31, 2017		March 31, 2016	
	Mortality rate			
Sensitivity level	10% Increase	10% Decrease	% Increase	% Decrease
Impact on defined benefit obligations	in Lacs 0.01	in Lacs (0.01)	in Lacs -	in Lacs -

Sensitivity Analysis Method

The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

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

Particulars	in Lacs		
	March 31, 2017	March 31, 2016	April 01, 2015
Discount rate	7.60%	-	-
Rate of escalation in salary (per annum)	7.00%	-	-
Mortality	India Assured Lives Mortality 2006-08	-	-
Attrition rate	5.8% to 5.5%	-	-

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

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

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

Particulars	in Lacs				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Defined benefit obligation	25.42	-	-	-	-
Plan assets	-	-	-	-	-
Surplus/(deficit)	(25.42)	-	-	-	-
Experience adjustments on plan liabilities (gain)/loss	-	-	-	-	-
Experience adjustments on plan assets gain / (loss)	-	-	-	-	-

23 Management represents that, based on information available, the company has not been informed by any supplier of being covered under the micro, small and medium Enterprises Development Act 2006. As a result, no interest provision or payment have been made by the company to such suppliers, if any and no related disclosures are made in these accounts.

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Notes to Financial statements for the year ended March 31, 2017

24 Derivative instruments and unhedged foreign currency exposure

The Company had taken INR - foreign currency principal only swap(POS) / full Currency Swap (FCS) to take advantage of lower interest rate of foreign currency loan. The aggregate outstanding details of derivative transactions is as under:

Nature	Particulars of derivatives		Purpose
	March 31, 2017 ₹ in Lacs	March 31, 2016 ₹ in Lacs	
Forward Contract- Supplier's Credit	EUR 0.58 Million	-	Hedging of equivalent foreign currency borrowing aggregate of Rs. 431.27 Lacs.
	USD 45.09 Million	-	Hedging of equivalent foreign currency borrowing aggregate of Rs. 30,629.56 Lacs.
Options - Supplier's Credit	USD 4.47 Million	-	Hedging of equivalent foreign currency borrowing aggregate of Rs. 2,898.96 Lacs.

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

Nature	As at March 31, 2017		As at March 31, 2016	
	Amount ₹ in Lacs	Foreign Currency In Million	Amount ₹ in Lacs	Foreign Currency In Million
Buyer's Credit			338.03	EURO 0.45
Other Current Liabilities	6,427.89	USD 9.91	0.01	EURO 0.00
Interest accrued but not due	0.75	EURO 0.00	-	-
Interest accrued but not due	147.80	USD 0.23	-	-

Closing rates as at March 31, 2017:

INR / USD = ₹ 64.85

INR / EURO = ₹ 69.29

Closing rates as at March 31, 2016:

INR / USD = ₹ 66.26

INR / EURO = ₹ 75.40

- 25 Assets taken under Operating Leases – One office premises have been taken on operating leases. The lease rent terms are for the period of 3 years and are renewable by mutual consent. As per the lease agreement lease rental is escalated by 5% at every year. There is no contingent rent, no sub-leases and no restrictions imposed by the lease arrangements. Expenses of ₹ 54.99 Lacs (previous year ₹ 24.60 Lacs) incurred under such lease have been expensed in the statement of profit and loss.

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

	Amount ₹ in Lacs	
	March 31,2017	March 31,2016
i) Not later than one year	50.44	50.44
ii) Later than one year and not later than five years	54.19	80.09
iii) Later than five years	-	-

26 Related Party Disclosure

Holding Company	: Adani Ports and Special Economic Zone Limited
Fellow Subsidiary & Associates (with transactions during the year)	Adani Vizag Coal Terminal Private Limited The Dhamra Port Company Limited Karnavati Aviation Private Limited Adani Vizhinjam Port Private Limited Adani International Container Terminal Private Limited Adani Hazira Port Private Limited

Information in respect of Related Parties		Amount ₹ in Lacs	
		March 31,2017	March 31,2016
<u>Inter Corporate Deposit Received</u>			
Holding Company	: Adani Ports and Special Economic Zone Limited	8,242.25	33,634.85
<u>Purchase of Project Material/Fixed Assets</u>			
Fellow Subsidiary	Adani Vizag Coal Terminal Private Limited	20.68	2.04
Fellow Subsidiary	Adani Hazira Port Private Limited	-	1.40
<u>Sale of Project Material</u>			
Fellow Subsidiary	Adani Vizag Coal Terminal Private Limited	-	61.31
	Adani Vizhinjam Port Private Limited	4.13	-
<u>Reimbursement of Expense</u>			
Holding Company	: Adani Ports and Special Economic Zone Limited	-	136.67
<u>Service Received</u>			
Fellow Subsidiary	Karnavati Aviation Private Limited	344.26	81.55
<u>Interest Paid</u>			
Holding Company	: Adani Ports and Special Economic Zone Limited	-	1,964.48
<u>Unsecured Loan Balance</u>			
Holding Company	: Adani Ports and Special Economic Zone Limited	48,344.09	40,101.85
<u>Other Current Liabilities Balance</u>			
Holding Company	: Adani Ports and Special Economic Zone Limited	(19.56)	1,351.97
Fellow Subsidiary	Karnavati Aviation Private Limited	168.06	-
Associate	Adani International Container Terminal Private Limited	(0.54)	-
Fellow Subsidiary	The Dhamra Port Company Limited	(3.93)	-
Fellow Subsidiary	Adani Hazira Port Private Limited	(1.56)	-
Fellow Subsidiary	Adani Vizag Coal Terminal Private Limited	20.68	-

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Notes to Financial statements for the year ended March 31, 2017

27 Capital Work in Progress

	Amount ` in Lacs		
	March 31,2017	March 31,2016	March 31,2015
Opening Balance	21,937.55	2,484.06	-
(a) Project Expenditure	49,665.03	19,453.49	2,484.06
	71,602.58	21,937.55	2,484.06
(b) Capital Inventory	110.85	152.17	602.75
(c) Expenditure during Construction Period :			
Opening Balance	3,363.73	904.56	-
Salary	361.02	-	-
Repair & Maintainance	34.24	15.99	0.11
Security Charges	66.73	10.57	7.32
Travelling & Conveyance	367.07	81.55	5.29
Vehicle Hiring	90.75	19.52	4.75
Rent	-	24.60	-
Rates & Taxes	1.23	0.40	110.84
Legal & Professional fees	466.89	329.16	751.79
Factory & Office Expense	52.17	19.82	-
Other Expense	14.66	8.25	3.34
Insurance	11.49	-	-
Manpower	113.98	-	-
Electricity	183.05	-	-
Interest	322.05	1,965.49	-
Bank Charges	108.23	113.49	19.09
Depreciation	34.37	31.29	2.02
	5,591.63	3,524.69	904.56
Less :- Interest Income	1,175.00	160.96	-
	4,416.63	3,363.73	904.56
	76,130.07	25,453.45	3,991.37

28 Capital Management

For the purposes of the company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the company's capital management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The company monitors capital using gearing ratio, which is net debt (total debt less cash and cash equivalents) divided by total capital plus net debt.

Particulars	Amount ` in Lacs		
	March 31, 2017	March 31, 2016	April 01, 2015
Net debt (total debt less cash and cash equivalents)	79,829.64	39,684.24	5,061.26
Total capital	5.00	5.00	5.00
Total capital and net debt	79,834.64	39,689.24	5,066.26
Gearing ratio	99.99%	99.99%	99.90%

29 As per the amendment to Schedule III of the Companies Act, 2013 by MCA notification G.S.R 308(E) dated 30th March 2017, every company is required to disclose the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016. Since the company did not hold or transact in cash during the entire year, the said disclosure is not applicable.

30 Approval of financial statements

The financial statements were approved for issue by the board of directors on April 29, 2017.

31 Standard issued but not effective:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the company from April 1, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The company will incorporate the disclosure in Financial statements for the year ended 31st March 2018.

Adani Ennore Container Terminal Private Limited

Notes to Financials statements for the year ended March 31, 2017

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

As per our report of even date

For Dharmesh Parikh & Co.
Chartered Accountants
Firm Registration No.: 112054W

For and on behalf of Board of Directors of
Adani Ennore Container Terminal Private Limited

per Anuj Jain
Partner
Membership No. 119140

G.J.Rao
Managing Director
DIN: 01724002

Karan Adani
Director
DIN: 03088095

Place: Ahmedabad
Date: April 29, 2017

Place: Ahmedabad
Date: April 29, 2017