INDEPENDENT AUDITOR'S REPORT

To the Members of Adani Kandla Bulk Terminal Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Adani Kandla Bulk Terminal Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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, of the state of affairs of the Company as at March 31, 2017, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

(c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and 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 Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 2" to this report;

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

    i. The Company does not have any pending litigations which would impact its financial position;

    ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 15 to the Ind AS financial statements;

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

    iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Arpit K Patel
Partner
Membership Number: 34032

Place of Signature: Ahmedabad
Date: May 11, 2017

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Intangible Assets.

(b) The Company has regular programme of physical verification of its Property, Plant and Equipment and Intangible Assets through which all the Property, Plant and Equipment and Intangible Assets are verified in a phased manner, over a period of three years. In our opinion, physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the company has constructed the immovable properties included in property, plant and equipment and Intangibles in terms of the Concession Agreement with Kandla Port trust (VPT) dated June 27, 2012 which is for the period of 30 years.

(ii) The management has conducted physical verification of inventory in the nature of stores, spares and consumables at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

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

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of custom, value added tax, cess and other statutory dues applicable to it. The provisions relating to employees’ state insurance are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, , service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank. The Company does not have any outstanding dues to government or debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

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

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

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

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Arpit K Patel
Partner
Membership Number: 34032

Place of Signature: Ahmedabad
Date: May 11, 2017

Annexure to the Independent Auditor's Report of Even Date on the Financial Statements of Adani Kandla Bulk Terminal Private Limited

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

To the Members of Adani Kandla Bulk Terminal Private Limited

We have audited the internal financial controls over financial reporting of Adani Kandla Bulk Terminal Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Arpit K Patel
Partner
Membership Number: 34032

Place of Signature: Ahmedabad
Date: May 11, 2017

Adani Kandla Bulk Terminal Private Limited

Balance Sheet as at March 31, 2017

` in Lacs

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Assets				
Non-Current Assets				
Property, Plant and Equipment	3	**1,545.31**	617.92	200.97
Intangible Assets	3	**92,815.51**	97,641.60	82,662.58
Intangible Assets under Development	3	**306.57**	791.02	19,002.63
Financial Assets				
(i) Other Financial Assets	4	**45.88**	42.27	38.95
Other Non-Current Assets	5	**5,042.28**	4,713.91	5,123.62
		99,755.55	1,03,806.72	1,07,028.75
Current Assets				
Inventories	6	**928.72**	1,160.46	464.27
Financial Assets				
(i) Investments	7	**423.55**	-	-
(ii) Trade Receivables	8	**2,537.62**	3,504.88	153.37
(iii) Cash and Cash Equivalents	9	**61.78**	27.94	9.73
(iv) Other Current Financial Assets	4	**304.96**	95.53	70.67
Other Current Assets	5	**3,957.73**	3,112.03	747.12
		8,214.36	7,900.84	1,445.16
Total Assets		**1,07,969.91**	1,11,707.56	1,08,473.91
Equity And Liabilities				
Equity				
Equity Share Capital	10	**12,005.00**	12,005.00	2,005.00
Other Equity		**(25,142.74)**	(16,012.61)	(585.07)
Total Equity attributable to Equity Holders of the Company		**(13,137.74)**	(4,007.61)	1,419.93
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	11	**1,10,345.74**	1,06,313.88	92,336.00
Provisions	12	**-**	-	0.04
Deferred Tax Liabilities (net)	13	**2,817.72**	735.00	-
		1,13,163.46	1,07,048.88	92,336.04
Current Liabilities				
Financial Liabilities				
(i) Borrowings	11	**4,393.20**	-	-
(ii) Trade and Other Payables	14	**1,378.06**	1,644.80	359.98
(iii) Other Financial Liabilities	15	**1,632.72**	6,373.47	14,029.54
Other Current Liabilities	16	**497.81**	569.69	328.35
Provisions	12	**42.40**	78.33	0.07
		7,944.19	8,666.29	14,717.94
Total Liabilities		**1,21,107.65**	1,15,715.17	1,07,053.98
Total Equity and Liabilities		**1,07,969.91**	1,11,707.56	1,08,473.91

The accompanying notes are an integral part of financials statements

As per our report of even date
For S R B C & CO LLP
ICAI Firm Registration No.: 324982E/E300003
Chartered Accountants

per Arpit K. Patel
Partner
Membership No. 34032

Place: Ahmedabad
Date: May 11, 2017

For and on behalf of Board of Directors of
Adani Kandla Bulk Terminal Private Limited

Ennarasu Karunesan
[Managing Director]
DIN :00200432

Unmesh Abhyankar
[Director]
DIN 03040812

Manish Kumar Agarwal
[CFO & Company Secretary]

Place: Ahmedabad
Date: May 11, 2017

Adani Kandla Bulk Terminal Private Limited

Statement of Profit and Loss for the year ended March 31, 2017

` in Lacs

Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
INCOME			
Revenue from Operations	17	**9,597.78**	7,699.63
Other Income	18	**323.01**	59.64
Total Income		**9,920.79**	7,759.27
EXPENSES			
Terminal Royalty		**2,906.26**	2,343.57
Operating Expenses	19	**6,010.92**	4,820.30
Employee Benefits Expense	20	**536.53**	537.89
Depreciation and Amortization Expense	3	**5,755.81**	5,201.27
Finance Costs	21		
(i) Interest and Bank Charges		**485.78**	8,567.17
(ii) Derivative Loss/(Gain) (net)		**30.80**	-
Other Expenses	22	**1,248.44**	937.48
Total Expenses		**16,974.54**	22,407.68
(Loss) before Tax		**(7,053.75)**	(14,648.41)
Tax expense:	23		
Current Tax		**-**	-
Deferred Tax		**2,080.53**	750.27
Total Tax Expenses		**2,080.53**	750.27
(Loss) for the Year	(A)	**(9,134.28)**	(15,398.68)
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		**6.35**	(44.13)
Income Tax Effect		**(2.20)**	15.27
		4.15	(28.86)
Net other comprehensive income for the year not to be reclassified to profit or loss in subsequent periods	(B)	**4.15**	(28.86)
Total Comprehensive Income for the year net of tax	(A) + (B)	**(9,130.13)**	(15,427.54)
Earnings per share (face value of ` 10 each ) Basic and diluted (in `)	24	**(7.61)**	(23.04)

The accompanying notes are an integral part of financials statements

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration No.: 324982E/E300003
Chartered Accountants

per Arpit K. Patel
Partner
Membership No. 34032

Place: Ahmedabad
Date: May 11, 2017

For and on behalf of Board of Directors of
Adani Kandla Bulk Terminal Private Limited

Ennarasu Karunesan
[Managing Director]
DIN :00200432

Unmesh Abhyankar
[Director]
DIN 03040812

Manish Kumar Agarwal
[CFO & Company Secretary]

Place: Ahmedabad
Date: May 11, 2017

Adani Kandla Bulk Terminal Private Limited
Cash flow Statement for year ended March 31,2017

` in Lacs

Particulars		For the year ended March 31, 2017	For the year ended March 31, 2016
A.	**Cash Flow from Operating Activities**		
	(Loss) before Tax	(7,053.75)	(14,648.41)
	Adjustments for:		
	Loss on sale/Discard of Property, Plant and Equipment and Intangible Assets (net)	19.07	-
	Depreciation and Amortisation	5,755.81	5,201.27
	Interest Income	(297.36)	(39.88)
	Inventory Obsolence	277.47	-
	Net (gain)/loss on sale of current investments	(5.40)	(0.69)
	Interest expense	477.14	8,543.74
	Derivative Loss (net)	30.80	-
	Operating profit before Working Capital Changes	**(796.22)**	**(943.97)**
	Adjustments for:		
	Decrease/(Increase) in Trade Receivables	967.26	(3,351.51)
	Decrease/(Increase) in Inventories	123.82	(865.74)
	Decrease/(Increase) in Financial Assets	51.34	7.31
	(Increase) in Other Assets	(888.20)	(2,057.49)
	(Decrease)/Increase in Trade and Other Payables	(266.74)	1,284.82
	(Decrease)/Increase in Other Liabilities	(71.88)	241.34
	(Decrease)/Increase in Provisions	(29.58)	34.13
	(Decrease)/Increase in Financial Liabilities	(6.00)	7.28
	Cash Generated from Operations	**(916.20)**	**(5,643.83)**
	Direct taxes paid	(297.06)	(109.19)
	Net Cash Outflow from Operating Activities	**(1,213.26)**	**(5,753.02)**
B.	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment and Intangible Assets	(2,116.74)	(3,837.68)
	Interest received	32.98	4.39
	(Purchase)/Sale of Investments in Mutual Fund (net)	(418.15)	0.69
	Net Cash Outflow from Investing Activities	**(2,501.91)**	**(3,832.60)**
C.	**Cash Flow from Financing Activities**		
	Proceeds from issuance of Share Capital	-	10,000.00
	Proceeds from Inter-corporate Deposit (including short-term)	12,582.77	28,070.90
	Repayment of Inter-corporate Deposit (including short-term)	(4,950.57)	(14,528.90)
	(Loss) on settlement/cancellation of derivative contracts	(0.08)	-
	Interest paid	(3,883.10)	(13,938.17)
	Net Cash Inflow from Investing Activities	**3,749.02**	**9,603.83**
D.	**Net Increase in Cash and Cash Equivalents (A + B + C)**	33.84	18.21
E.	**Cash & Cash Equivalents at the Beginning of the Year (refer note 9)**	27.94	9.73
F.	**Cash & Cash Equivalents at the End of the Year (refer note 9)**	**61.78**	**27.94**
	Component of Cash and Cash Equivalents		
	Balances with Scheduled Banks		
	-On current accounts	61.78	27.94
	Cash and Cash Equivalents at end of the year	**61.78**	**27.94**

Summary of significant accounting policies refer note 2.2

1 The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7 on Cash Flow Statements notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).
2 Purchase of investment in Mutual Fund of ` 1,380.00 lacs (previous year ` 409.00 lacs and sale of Mutual Fund of ` 961.85 lacs (previous year ` 409.69 lacs).

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration No.: 324982E/E300003
Chartered Accountants

per Arpit K. Patel
Partner
Membership No. 34032

Place: Ahmedabad
Date: May 11, 2017

For and on behalf of Board of Directors of
Adani Kandla Bulk Terminal Private Limited

Ennarasu Karunesan
[Managing Director]
DIN :00200432

Unmesh Abhyankar
[Director]
DIN 03040812

Manish Kumar Agarwal
[CFO & Company Secretary]

Place: Ahmedabad
Date: May 11, 2017

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

` in Lacs

Particulars	Equity Share Capital	Reserves and Surplus - Retained Earning	Total
Balance as on April 01, 2015	**2,005.00**	**(585.07)**	**1,419.93**
Loss for the year	-	(15,398.68)	(15,398.68)
Other Comprehensive income			
Re-measurement gains/ (losses) on defined benefit plans (net of tax)	-	(28.86)	(28.86)
Total Comprehensive Income for the year	**-**	**(15,427.54)**	**(15,427.54)**
Issue of Equity Shares	10,000.00	-	10,000.00
Balance as on March 31, 2016	**12,005.00**	**(16,012.61)**	**(4,007.61)**
Loss for the year	-	(9,134.28)	(9,134.28)
Other Comprehensive income			
Re-measurement gains/ (losses) on defined benefit plans (net of tax)	-	4.15	4.15
Total Comprehensive Income for the year	**-**	**(9,130.13)**	**(9,130.13)**
Balance as on March 31, 2017	**12,005.00**	**(25,142.74)**	**(13,137.74)**

The accompanying notes are an integral part of financials statements.

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration No.: 324982E/E300003
Chartered Accountants

per Arpit K. Patel
Partner
Membership No. 34032

Place: Ahmedabad
Date: May 11, 2017

For and on behalf of Board of Directors of
Adani Kandla Bulk Terminal Private Limited

Ennarasu Karunesan
[Managing Director]
DIN :00200432

Unmesh Abhyankar
[Director]
DIN 03040812

Manish Kumar Agarwal
[CFO & Company Secretary]

Place: Ahmedabad
Date: May 11, 2017

1 Corporate information

Adani Kandla Bulk Terminal Private Limited "AKBTPL" (the "Company") was incorporated on 7th March, 2012. AKBTPL is a special purpose company promoted by Adani Ports and Special Economic Zone Limited. The Company is formed for developing a Dry Bulk Terminal Off Tekra near Tuna outside Kandla Creek at Kandla Port ("Project") on Build, Operate and Transfer ("BOT") basis for a period of 30 years. The registered office of the company is located at Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009, Gujarat.

AKBTPL has been awarded Letter of Award dated February 23, 2012 for the Project from the Kandla Port Trust. The Company has entered Concession Agreement on 27th June, 2012 with Kandla Port Trust. Subsequently, company has received award of concession by Kandla Port Trust on 19th December, 2012. The Company has commenced commercial operation from March 17, 2015.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 11, 2017.

2 Basis of preparation

2.1 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 (as amended).

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 36 for information on how the Company adopted Ind AS

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

-Derivative financial instruments,

-Defined Benefit Plans – Plan Assets measured at fair value; and

-Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

In addition, the financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

2.2 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; or
- Held primarily for the purpose of trading; or
- 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; or
- It is held primarily for the purpose of trading; or
- 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 liabilities are classified as non-current 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) 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.

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.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. However, for particle reasons the company uses an average rate if the average approximates the actual rate at the date of transaction.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception stated under Note No.36.1 (c),whereby exchange differences arising on long-term foreign currency monetary items related to acquisition of a property, plant and equipment and intangibles recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. March 31, 2016 are capitalised / decapitalised to cost of Property, Plant and Equipment / Intangibles and depreciated / amortised over the remaining useful life of the asset.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

c) 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:

> 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 analyse 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 Management , 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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.
-Financial instruments (including those carried at amortised cost) (refer note 29.1)

d) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Port Operation Services

Revenue from port operation services including cargo handling, storage are recognized on proportionate completion method basis based on services completed till reporting date. The amount recognized as a revenue is exclusive of service tax and education cess where applicable.

Income from SEIS

Income from Services Exports from India Scheme ('SEIS') incentives under Government's Foreign Trade Policy 2015-20 on the port services income are classified as 'Income from Port Operations' and is recognised based on effective rate of incentive under the scheme, provided no significant uncertainty exists for the measurability, realisation and utilisation of the credit under the scheme. The receivables related to SEIS licenses are classified as 'Other Non Financial Assets'.

Interest Income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

e) Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax(including Minimum Alternate Tax (MAT)) is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Current income tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The Company is eligible for tax deductions available under section 80IA of the Income Tax Act, 1961 w.e.f FY 2019-20. In view of Company being eligible to avail tax deduction under Section 80IA of the Income Tax Act, 1961, deferred tax has been recognized in respect of temporary difference, which reverse after the tax holiday period in the year in which the temporary difference originate and no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the temporary difference which originate first are considered to reverse first.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f) 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.

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 in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial statements i.e. 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.

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.

g) Port concession rights arising from Service Concession/Sub-Concession Arrangements:

The Company recognises port concession rights as "Intangible Assets" arising from a service concession arrangement, in which the grantor controls or regulates the services provided and the prices charged, and also controls any significant residual interest in the infrastructure such as property, plant and equipment, if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Company as part of the service concession arrangement. Such an intangible asset is recognised by the Company at cost (which is the fair value of the consideration received or receivable for the construction service delivered) and is capitalised when the project is complete in all respects and the Company receives the completion certificate from the authorities as specified in the concession agreement.

Port concession rights also include certain property, plant and equipment which are reclassified as intangible assets in accordance with Appendix A of Ind AS 11 ‘Service Concession Arrangements’. These assets are amortised based on the lower of their useful lives or concession period.

Gains or losses arising from de-recognition of port concession rights 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 de-recognised.

The period of port concession arrangements is 30 years.

h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. 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, other than port concession rights, is as follows:

Intangible Assets	Method of Amortisation	Estimated Useful life
Software applications	on straight line basis	5 Years based on management estimate

i) 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.

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.

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) Inventories

Inventories are valued at lower of cost or net realisable value.

Stores and Spares:

- Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis. Cost of stores and spares lying in bonded warehouse includes custom duty payable.
- Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.
- Net Realizable Value in respect of store and spares is the estimated current procurement price in the ordinary course of the business.

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 including impairment on inventories, are recognised in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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) Retirement and other Employee Benefits

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.

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

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. The Company treats accumulated leave expected to be carried forward beyond twelve months as long term compensated absences which are provided for based on actuarial valuation as at the end of the period. The actuarial valuation is done as per projected unit credit method. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer it's settlement for twelve month after the reporting date.

o) 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 are recognised initially at fair value plus in case of financial asset not recorded at fair value through profit and loss, transaction cost that are attributable to the acquisition of the financial assets.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
- Debt instruments at amortised cost
- Derivatives at fair value through profit or loss (FVTPL)

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.

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.

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) 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 cash flows 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.

The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, :

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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 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.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. 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.

q) 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.

r) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference share dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

2.3 Significant accounting judgments, estimates and assumptions

The preparation of the Company's Ind AS Financial Statements requires management to make judgments, 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.

Judgements

In the process of applying the Company's accounting policies, Management has made the following judgement, which has the most significant effect on the financial statements.

Obligation for Payment of Revenue share on Cargo Storage Services

In terms of clause 9.2 of Concession agreement dated June 27, 2012 between the Company and Kandla Port Trust (KPT), the Company is liable to pay revenue share to KPT on cargo storage services beyond the free period based on tariff rates of KPT. The Company has made representation to KPT in the matter explaining that period of free storage provided in the tariff as per the concession agreement is not consistent with the business practices. The Company has represented to KPT that as per the Tariff Authority for Major Ports (TAMP) notification/guidelines, the storage charges should be considered as payable under miscellaneous charges category of tariff and accordingly, revenue share to KPT on storage charges should be paid, instead of specific tariff rate. Matter is pending for resolutions with KPT Authorities.

The Company has accounted ` 115.38 lac towards revenue share on storage charges on the cargo handled for year ended March 31, 2017 based on the representation to KPT.

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.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the
currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in note 25.

Provision for Decommissioning Liabilities

The management of the Company has estimated that there is no probable decommissioning liability under the condition / terms of the concession agreement with the KPT.

Adani Kandla Bulk Terminal Private Limited
Notes to Financials statements for the year ended March 31, 2017
3.Plant Property and Equipment , Intangible Assets and Intangible Assets under development

Note 3 (a) : Plant Property and Equipment , Intangible Assets ` in Lacs

Particulars	Property, Plant and Equipment						Intangible assets		
	Furniture & fixtures	Office equipment	Computer equipment	Plant and Machinery-Windmill	Vehicles	Total PPE	Port Infrastructure Rights	Software	Total Intangible Assets
Cost									
As at April 1, 2015 (refer note 36.1(a) and 36.1(b))	62.61	112.51	21.28	-	4.57	**200.97**	82,641.50	21.07	**82,662.57**
Additions	42.31	206.28	171.29	-	98.42	**518.30**	17,570.06	17.23	**17,587.29**
Deductions/Adjustment	-	1.46	-	-	-	**1.46**	27.69	-	**27.69**
Exchange difference	-	-	-	-	-	**-**	116.84	-	**116.84**
Adjustment due to Borrowing Costs	-	-	-	-	-	**-**	2,403.86	-	**2,403.86**
As at March 31, 2016	104.92	317.33	192.57	-	102.99	**717.81**	1,02,704.58	38.30	**1,02,742.88**
Additions	3.42	5.04	14.55	1,031.09	1.20	**1,055.30**	879.52	2.75	**882.27**
Deductions/Adjustment	-	-	2.61	-	-	**2.61**	20.67	-	**20.67**
Exchange difference	-	-	-	-	-	**-**	61.38	-	**61.38**
As at March 31, 2017	108.34	322.37	204.51	1,031.09	104.19	**1,770.50**	1,03,502.04	41.05	**1,03,543.09**
Depreciation/amortisation									
As at April 1, 2015	-	-	-	-	-	**-**	-	-	**-**
Depreciation for the year	8.61	51.10	36.97	-	3.32	**100.00**	5,095.17	6.10	**5,101.27**
Deductions/(Adjustment)	-	0.11	-	-	-	**0.11**	-	-	**-**
As at March 31, 2016	8.61	50.99	36.97	-	3.32	**99.89**	5,095.17	6.10	**5,101.27**
Depreciation for the year	11.01	66.14	35.86	1.18	12.84	**127.03**	5,620.47	8.31	**5,628.78**
Deductions/(Adjustment)	-	-	1.73	-	-	**1.73**	2.48	-	**2.48**
As at March 31, 2017	19.62	117.13	71.10	1.18	16.16	**225.20**	10,713.16	14.41	**10,727.57**
Net Block									
As at March 31, 2017	88.72	205.24	133.41	1,029.91	88.03	**1,545.31**	92,788.87	26.64	**92,815.51**
As at March 31, 2016	96.31	266.34	155.60	-	99.67	**617.92**	97,609.40	32.20	**97,641.60**
As at April 1, 2015	62.61	112.51	21.28	-	4.57	**200.97**	82,641.51	21.07	**82,662.58**

Note 3 (b) : Intangible Assets under development

Particulars	Amount
As at March 31, 2017	**306.57**
As at March 31, 2016	**791.02**
As at April 1, 2015	**19,002.63**

Refer note 31 for Impairment evaluation of Property, Plant and Equipment and Intangibles Assets (including Intangibles Assets under Development)

4 Other Financial assets	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
Non-current			
Security and other deposits (Unsecured, Considered Good)	45.88	42.27	38.95
	45.88	**42.27**	**38.95**
Current			
Security and other deposits (Unsecured, Considered Good)	-	5.60	7.12
Interest accrued on Advances given (refer note 27)	299.87	35.49	-
Non Trade receivable	3.81	1.05	-
Advances to employees	1.28	1.76	0.25
Insurance claim receivables	-	51.63	63.30
	304.96	**95.53**	**70.67**

5 Other Assets	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
Non Current			
Capital Advances			
Unsecured, considered good	-	11.19	222.67
	-	**11.19**	**222.67**
Others (Unsecured)			
Prepaid Expenses	43.20	48.60	16.79
Balance with Govt Authorities (Unsecured, Considered Good)	4,577.83	4,529.93	4,869.16
Advance income tax (Net of Provision for taxation) (refer note 23)	421.25	124.19	15.00
	5,042.28	**4,702.72**	**4,900.95**
	5,042.28	**4,713.91**	**5,123.62**
Current			
Advances recoverable in cash or in kind (Unsecured, considered good)			
- Related Parties (refer note 27)	2,500.00	2,500.00	-
- Others	206.67	150.04	-
	2,706.67	**2,650.04**	**-**
Others (Unsecured)			
Prepaid Expenses	505.34	461.99	543.16
Accrued Income	45.49	-	203.96
Others (also refer note 2.2 (d))	700.23	-	-
	1,251.06	**461.99**	**747.12**
	3,957.73	**3,112.03**	**747.12**

6 Inventories (At lower of cost and Net realisable Value)	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
Stores and spares, Fuel and Lubricants	928.72	1,160.46	464.27
	928.72	**1,160.46**	**464.27**

7 Current Investments	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
Unquoted mutual funds (valued at fair value through Profit or Loss)			
16,594.69 Units (Previous Year NIL and April 01, 2015 NIL) in SBI Premier Liquid Fund -Direct Plan- Growth	423.55	-	-
	423.55	**-**	**-**
Aggregate carrying value of unquoted Mutual Fund	423.55	-	-
Aggregate Net Asset Value (NAV) of unquoted Mutual Funds	423.55	-	-

8 Trade Receivables (Unsecured, unless otherwise stated)	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
Considered Good			
- Receivable from related parties (refer note 27)	2,115.30	3,444.58	153.37
- Others	422.32	60.30	-
	2,537.62	**3,504.88**	**153.37**

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

Notes:

a) No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person; nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.

b) Generally, as per credit terms trade receivable are collectable within 30-60 days although the Company provide extended credit period considering business and commercial necessity to the customers including related parties.

9 **Cash and cash equivalents**	**March 31, 2017** ` in Lacs	**March 31, 2016** ` in Lacs	**April 01, 2015** ` in Lacs
Balances with banks:			
Balance in current account	61.78	27.94	9.73
	61.78	**27.94**	**9.73**

10 **Equity** **Equity Share Capital**	**March 31, 2017** ` in Lacs	**March 31, 2016** ` in Lacs	**April 01, 2015** ` in Lacs
Authorised Shares			
12,05,00,000 Equity Shares of ` 10 each (12,05,00,000 and 2,05,00,000 Equity Shares of ` 10 each as at March 31, 2016 and April 01, 2015 respectively)	12,050.00	12,050.00	2,050.00
	12,050.00	**12,050.00**	**2,050.00**
Issued, subscribed and fully paid up share capital			
12,05,00,000 Equity Shares of ` 10 each (12,05,00,000 and 2,05,00,000 Equity Shares of ` 10 each as at March 31, 2016 and April 01, 2015 respectively)	12,005.00	12,005.00	2,005.00
	12,005.00	**12,005.00**	**2,005.00**

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
As the beginning of the year	12,00,50,000	12,005.00	2,00,50,000	2,005.00
Add: New Shares Issued during the year	-	-	10,00,00,000	10,000.00
Outstanding as the end of the year	**12,00,50,000**	**12,005.00**	**12,00,50,000**	**12,005.00**

(b) Terms/rights attached to equity shares:

(i) 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.

(ii) 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	**April 01, 2015** ` in Lacs
Adani Ports and Special Economic Zone Limited, the holding company and its nominee			
12,00,50,000 equity shares (Previous year 8,88,37,000 and April 01, 2015 1,48,37,000) of ` 10 each	12,005.00	8,883.70	1,483.70

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

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

Particulars		**March 31, 2017**	**March 31, 2016**	**April 01, 2015**
Adani Ports and Special Economic Zone Limited, the holding company and its nominee	No in Lacs	1,200.50	888.37	148.37
	% Holding	100.00%	74.00%	74.00%
Adani Enterprises Limited	No in Lacs	-	312.13	52.13
	% Holding	-	26.00%	26.00%

During the year ended March 31, 2017, 31,213,000 numbers of equity shares of the Company held by Adani Enterprise Limited (AEL) has been transferred by AEL (Seller) to Adani Ports & Special Economic Zone Limited (Buyer). As per the Management, the transfer of shares has been recorded based on Irrevocable Letter of Affirmation dated March 31, 2017 from the Seller and acceptance by the Buyer, although legal transfer of such equity share is still in process.

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

11 Borrowings	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
A. Long Term Borrowings			
Secured-Inter corporate deposit from related party (refer note a & c)	1,05,000.00	-	-
Unsecured - Inter Corporate Deposit from related party (refer note b & c)	4,552.88	1,06,313.88	92,771.88
Unsecured -Suppliers bills accepted under foreign currency letters of credit from Bank (refer note d)	1,011.84	1,073.62	956.79
Total Long-Term Borrowing	**1,10,564.72**	**1,07,387.50**	**93,728.67**
Less:			
Current maturity of			
Unsecured- Inter Corporate Deposit from related party (refer note b & c)	218.98		435.88
Unsecured -Suppliers bills accepted under foreign currency letters of credit from Bank	-	1,073.62	956.79
Amount shown under "other current liabilities" (refer note 15)	(218.98)	(1,073.62)	(1,392.67)
Non-Current Borrowing	**1,10,345.74**	**1,06,313.88**	**92,336.00**
B. Short term borrowings			
Unsecured - Inter Corporate Deposit from related party (refer note e)	4,393.20	-	-
Current borrowing	**4,393.20**	**-**	**-**
The above amount includes			
Secured borrowings	1,05,000.00	-	-
Unsecured borrowings	9,957.92	1,07,387.50	93,728.67
Total borrowings (A + B)	**1,14,957.92**	**1,07,387.50**	**93,728.67**

Notes:

(a) Inter corporate deposit of ` 1,05,000.00 lacs (previous year Nil and April 01, 2015 Nil) received from Adani Ports and Special Economic Zone Limited, the holding Company are secured by way of first pari passu charge by way of first mortgage of all the immovable assets of the Company, both present and future and are further secured by hypothecation of movable assets, both present and future of the Company. Charge on all the assets has been created through agreement in favour of Adani Ports and Special Economic Zone Limited. The outstanding balance as on March 31, 2017 will be repayable in November, 2029.

(b) Inter corporate deposit of ` 4,552.88 lacs (previous year ` 1,06,313.88 lacs and April 01, 2015 ` 92,336.00 lacs) from Adani Ports and Special Economic Zone Limited, the holding Company is unsecured and repayable in 6 equal yearly installments amounting to ` 218.98 Lacs starting from March, 2018 to March, 2023 and balance amount is repayable in March, 2023.

(c) Inter corporate deposit is received from Adani Ports and Special Economic Zone Limited, the holding Company, at the interest rate of 9.00%. The Company has received an interest waiver on the Inter Corporate deposit from the Holding Company for the balance outstanding as at March 31, 2016 w.e.f. April 01, 2016 for a period of one year. Accordingly, no interest expense has been booked on such balance of borrowings during the period.

(d) Foreign currency Letter of Credit amounting to ` 185.01 Lacs carries interest in the range of 12M Euribor plus 30 basis points. It is renewable upto September, 2019. Foreign currency Letter of Credit amounting to ` 866.03 Lacs carries interest in the range of 12M Libor plus 13 basis points. It is renewable upto September, 2019.This facilities are availed out of the facilities sanctioned to Adani Ports and Special Economic Zone Limited, the Holding company.

(e) Short term Inter corporate deposit received from Adani Ports and Special Economic Zone Limited, the holding Company at the interest rate of 9.00%. The outstanding balance as on March 31, 2017 will be repayable in September, 2017.

12 Provisions	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
(a) Net employee defined benefit liabilities			
Non-current			
Provision for gratuity (refer note 25)	-	-	0.04
	-	**-**	**0.04**
Current			
Provision for gratuity (refer note 25)	6.76	41.39	-
Provision for compensated absences	35.64	36.94	0.07
	42.40	**78.33**	**0.07**

13 Deferred tax liabilities/Assets (net)	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
Deferred tax liabilities (net) (refer Note-23)	2,817.72	735.00	-
	2,817.72	**735.00**	**-**

14 Trade payables	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
Payables to micro, small and medium enterprises (refer note 30)	0.07	0.50	-
Other Trade payables	1,377.99	1,644.30	359.98
	1,378.06	**1,644.80**	**359.98**
Dues to related parties included in above (refer note 27)	197.40	186.88	147.12

Adani Kandla Bulk Terminal Private Limited

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

15	**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 11)	218.98	1,073.62	1,392.67
	Interest accrued but not due on borrowings (also refer note 27)	428.16	3,834.12	8,717.87
	Deposits from customers	1.28	7.28	-
	Capital creditors, retention money and other payable	953.58	1,458.45	3,919.00
	Outstanding derivatives, not designated as hedge	30.72	-	-
		1,632.72	**6,373.47**	**14,029.54**

16	**Other Liabilities**	**March 31, 2017** ` in Lacs	**March 31, 2016** ` in Lacs	**April 01, 2015** ` in Lacs
	Current			
	Unearned revenue	343.40	376.65	16.61
	Statutory liability	125.55	184.96	297.34
	Advance from customers	28.86	8.08	14.40
		497.81	**569.69**	**328.35**

17	**Revenue from Operations**	**March 31, 2017** ` in Lacs	**March 31, 2016** ` in Lacs
	Income from Port Operations (including export incentives)	9,597.78	7,699.63
		9,597.78	**7,699.63**

18	**Other Income**	**March 31, 2017** ` in Lacs	**March 31, 2016** ` in Lacs
	Interest Income from		
	(i) Bank Deposits	-	0.45
	(ii) Advances given	297.36	42.75
	Profit on sale/Discard of Property,Plant and Equipment and Intangible Assets (net)	-	0.19
	Scrap sale	0.10	-
	Profit on Sale of Current Investments (Mutual Funds)	5.40	0.69
	Insurance Claim received	18.85	-
	Miscellaneous Income	1.30	15.56
		323.01	**59.64**

19	**Operating Expenses**	**March 31, 2017** ` in Lacs	**March 31, 2016** ` in Lacs
	Cargo handling / other charges to Sub-Contractors	3,727.45	2,693.75
	Railway Service Charges	47.85	9.71
	Other expenses including customs establishment charges	63.71	33.57
	Store and Spares consumed	434.80	408.28
	Power and Fuel	902.30	778.82
	Repairs and Maintenance	34.81	96.17
	Waterfront Charges	800.00	800.00
		6,010.92	**4,820.30**

20	**Employee benefit expense**	**March 31, 2017** ` in Lacs	**March 31, 2016** ` in Lacs
	Salaries, Wages and Bonus	460.34	434.65
	Contribution to Provident and Other Funds	23.69	17.73
	Gratuity Expenses (refer note 25)	10.76	7.23
	Staff Welfare Expenses	41.74	78.28
		536.53	**537.89**

Adani Kandla Bulk Terminal Private Limited

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

21	**Finance Costs**	**March 31, 2017** ` in Lacs	**March 31, 2016** ` in Lacs
a)	**Interest and Bank Charges**		
	Interest on		
	Inter corporate Deposit	468.13	8,539.12
	Buyer's Credit	9.01	4.62
	Others	3.78	3.78
	Bank and other finance charges	4.86	19.65
		485.78	**8,567.17**
b)	Loss on Derivatives Contracts (net)	30.80	-
		516.58	**8,567.17**

22	**Other Expenses**	**March 31, 2017** ` in Lacs	**March 31, 2016** ` in Lacs
	Lease Rent-Land (Refer Note (a) below)	110.45	109.70
	Equipment rental	24.51	
	Rates and Taxes	20.41	113.74
	Insurance (net of reimbursement)	32.18	61.00
	Advertisement and Publicity	2.12	4.27
	Other Repairs and Maintenance (net of reimbursement)	246.49	174.57
	Corporate support service fee	53.64	4.55
	Legal and Professional Expenses	50.67	96.81
	Payment to Auditors (refer note (b) below)	8.71	8.28
	Communication Expenses	20.00	5.77
	Electric Power Expenses	0.35	-
	Office Expenses	74.71	39.47
	Travelling and Conveyance	118.51	173.96
	Directors Sitting Fee	1.99	1.73
	Charity & Donations	1.25	1.32
	Loss on Foreign Exchange Variation (net)	1.33	-
	Loss on sale/Discard of Property,Plant and Equipment and Intangible Assets (net)	19.07	-
	Security Expenses	155.22	127.90
	Inventory Obsolence	277.47	-
	Miscellaneous Expenses	29.36	14.41
		1,248.44	**937.48**

a)Assets taken under operating Lease

The company has been awarded Port premises land of 9,03,390 Sq Mt and Additional land of 1,62,955 Sq Mt as part of concession agreement with Kandla Port Trust for a period of 30 years. Expenses of ` 110.45 lacs (previous year ` 109.70)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:

Particulars	**March 31, 2017** **` in Lacs**	March 31, 2016 ` in Lacs
(i) Not later than one year	110.45	110.45
(ii) Later than one year and not later than five years	441.80	441.80
(iii) Later than five years	2,181.00	2,291.45

(b) Payment to Auditor	**March 31, 2017** ` in Lacs	March 31, 2016 ` in Lacs
As Auditor:		
Audit fee	**5.00**	4.50
Limited review	**3.01**	3.00
In other Capacity		
Certification Fees	**0.40**	0.16
Reimbursement of expenses	**0.30**	0.62
	8.71	8.28

Adani Kandla Bulk Terminal Private Limited

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

23 Income Tax

The major components of income tax expenses for the year ended March 31, 2017 and March 31, 2016 are as under.

a) Profit and Loss Section

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
Current income tax:		
Current tax charge	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	2,080.53	750.27
Tax Expense reported in the Statement of Profit and Loss	**2,080.53**	**750.27**

Other Comprehensive Income ('OCI') Section

Deferred tax related to items recognised in OCI during the year

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
Net Loss /(Gain) on remeasurements of defined benefit plan	2.20	(15.27)
	2.20	**(15.27)**

b) Balance Sheet Section

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
Advance income tax (Net of Provision for taxation)	421.25	124.19	15.00

c) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2016

	March 31, 2017		March 31, 2016	
	%	**` in Lacs**	%	` in Lacs
Profit Before tax		**(7,053.75)**		(14,648.41)
Tax using the Company's domestic rate	**34.61**	**(2,441.16)**	34.61	(5,069.52)
Tax Effect of:				
Unabsorbed Losses and depreciation on which Deferred Tax Asset is not created	**(65.03)**	**4,586.88**	(26.81)	3,926.55
Deferred Tax Liability for earlier period created	**-**	**-**	(13.71)	2,008.87
Other Timing Differences	**0.92**	**(65.19)**	0.79	(115.63)
Effective tax rate	**(29.50)**	**2,080.53**	(5.12)	750.27
Tax expenses as per Books		**2,080.53**		750.27

d) Deferred Tax Liability (net)

	Balance Sheet as at			**Statement of Profit and Loss**	
	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs	**March 31, 2017 ` in Lacs**	March 31, 2016 ` in Lacs
Liability on Accelerated depreciation for tax purpose	(2,806.05)	(746.83)	-	(2,059.22)	(746.83)
Liability on unrealised exchange variation	(24.84)	(3.60)	-	(21.24)	(3.60)
Asset/(Liability) on remueasurement (gain)/loss on	13.07	15.27	-	(2.20)	15.27
Asset on Fair valuation of Deposits	0.10	0.16	-	(0.06)	0.16
	(2,817.72)	**(735.00)**		**(2,082.72)**	**(735.00)**

e) **Reconciliation of Deferred tax liabilities (net)**

	March 31, 2017 ` In Crore	**March 31, 2016 ` In Crore**
Tax income / (expenses) during the period recognised in Statement of Profit and	(2,080.52)	(750.27)
Tax income / (expenses) during the period recognised in OCI	(2.20)	15.27
	(2,082.72)	(735.00)

f) The company has carried forward unabsorbed depreciation aggregating ` 30,867.69 lacs (previous year ` 18,911.84 lacs and as at April 01,2015 ` 5,562.23 lacs) under the Income tax Act, 1961 for which there is no expiry date of its tax credit utilisation by the company. Further, the company has carried forward losses aggregating to ` 10,869.60 lacs (previous year ` 9,571.64 lacs and as at April 01,2015 ` 246.52 lacs) under the Income tax Act, 1961 which gets expired within 8 years of the respective year. The carried forward losses will get expired mainly during the financial year 2022-23 to 2023-24.

Deferred tax asset has not been recognised in respect of these unabsorbed depreciation or carried forward losses as they may not be used to offset taxable profits of the company in future years and there are no other tax planning opportunities or other evidences of recoverability in the near future. If the company was able to recognise all unrecognised deferred tax assets, the loss would reduce by `14,444.44 lacs.

24 Earnings per share (EPS)

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
Loss attributable to equity shareholders of the company	(9,134.28)	(15,398.68)
Weighted average number of equity shares in calculating basic and diluted EPS	12,00,50,000	6,68,44,521
Basic and Diluted earning per share (in `)	(7.61)	(23.04)

25 Disclosures as required by Ind AS - 19 Employee Benefits

a) The company has recognised, in the Statement of Profit and Loss for the current year, an amount of ` 23.92 lacs (previous year ` 18.15 lacs) as expenses under the following defined contribution plan.

(` In Lacs)

Contribution to	2016-17	2015-16
Provident Fund	22.09	16.48
Superannuation Fund	1.83	1.67
Total	**23.92**	18.15

b) The company has a defined gratuity plan (funded) and is governed by the payment of Gratuity Act,1972. 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 plan is funded with Life Insurance Company of India (LIC) in form of a qualifying insurance policy for future payment of gratuity to the employees.

Each year, the management reviews the level of funding in the gratuity fund. Such review includes the assets -liability matching strategy. The management decides its contribution based on the results of this review. The management aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

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.

c) **Gratuity**

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

Particulars	March 31, 2017	March 31, 2016
Present value of the defined benefit obligation at the beginning of the year	51.69	0.04
Current service cost	7.49	7.23
Interest cost	4.08	*
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	(9.76)	3.24
- experience variance	3.96	41.18
Benefits paid	(3.10)	-
Liability Transfer in	1.54	-
Liability Transfer out	(7.33)	-
Present value of the defined benefit obligation at the end of the year	**48.57**	**51.68**

*Figures being nullified on conversion to ` in Lacs

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

Particulars	March 31, 2017	March 31, 2016
Fair value of plan assets at the beginning of the year	10.29	-
Investment income	0.81	-
Contributions by employer	30.16	10.00
Benefits paid	-	-
Return on plan assets , excluding amount recognised in net interest expense	0.55	0.29
Fair value of plan assets at the end of the year	**41.81**	**10.29**

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

Contribution to	March 31, 2017	March 31, 2016
Present value of the defined benefit obligation at the end of the year	48.57	51.68
Fair value of plan assets at the end of the year	41.81	10.29
Amount recognised in the balance sheet	(6.76)	(41.39)
Net (liability)/asset - Current	(6.76)	(41.39)

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

Particulars	March 31, 2017	March 31, 2016
Current service cost	7.49	7.23
Interest cost on benefit obligation	3.27	-
Total Expenses included in employee benefits expense	**10.76**	**7.23**

e) Recognised in the other comprehensive income for the year ` in Lacs

Particulars	March 31, 2017	March 31, 2016
Actuarial (gain)/losses arising from		
- change in demographic assumptions	-	-
- change in financial assumptions	(9.76)	3.24
- experience variance	3.96	41.18
Return on plan assets, excluding amount recognised in net interest expense	(0.55)	(0.29)
Recognised in comprehensive income	**(6.35)**	**44.13**

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

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Discount rate	7.60%	7.90%	7.96%
Rate of escalation in salary (per annum)	7%	9.00%	8.50%
Mortality	Indian assured mortality table 2006-08	Indian assured mortality table 2006-08	Indian assured mortality table 2006-08
Attrition rate	10% for 5 below years and 1% thereafter	10% for 5 below years and 1% thereafter	10% for 4 years & below and 1% thereafter

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

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

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

Particulars	March 31, 2017	March 31, 2016
Investments with insurer	100%	100%

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

h) 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	
Assumptions	Discount rate			
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligations	` in Lacs	` in Lacs	` in Lacs	` in Lacs
	(4.66)	5.49	(5.61)	6.61

Particulars	March 31, 2017		March 31, 2016	
Assumptions	Salary Growth rate			
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligations	` in Lacs	` in Lacs	` in Lacs	` in Lacs
	5.47	(4.73)	6.47	(5.60)

Particulars	March 31, 2017		March 31, 2016	
Assumptions	Attrition rate			
Sensitivity level	50% Increase	50% Decrease	50% Increase	50% Decrease
Impact on defined benefit obligations	` in Lacs	` in Lacs	` in Lacs	` in Lacs
	(0.14)	0.15	(0.54)	0.59

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

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.

i) Maturity profile of Defined Benefit Obligation

Particulars	March 31, 2017	March 31, 2016
Weighted average duration (based on discounted cash flows)	11 years	12 years

j) The expected cash flows of defined benefit Obligation over future periods (Valued on Undiscounted Basis) ` in Lacs

Particulars	March 31, 2017	March 31, 2016
Within the next 12 months (next annual reporting period)	0.77	0.62
Between 2 and 5 years	15.18	13.28
Between 5 and 10 years	17.67	11.95
Beyond 10 years	97.78	131.92
Total Expected Payments	**131.41**	157.77

The company expects to contribute ` 13.61 lacs to gratuity fund in the next year. ( Previous year `49.86 lacs)

26 Segment information
The Company is primarily engaged in one business segment, namely developing, operating and maintaining the Port services and related Infrastructure facilities as determined by chief operational decision maker, in accordance with Ind-AS 108 "Operating Segment".
Considering the inter relationship of various activities of the business, the chief operational decision maker monitors the operating results of its business segment on overall basis. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

27 Related Party Disclosures

The Management has identified the following entities as related parties of the Company for the year ended 31st March, 2017 for the purposes of reporting as per IND AS 24 – Related Party Transactions, which are as under:

Criteria	**Name of the Company**

A. Related parties where control exists.

Holding Company	Adani Ports And Special Economic Zone Limited

B. Related parties with whom transaction have been taken place during the year.

Fellow Subsidiary	Adani Logistics Limited
	Karnavati Aviation Private Limited
	Adani Petronet (Dahej) Port Private Limited
	Adani Vizag Coal Terminal Private Limited
	The Dhamra Port Company Limited
	MPSEZ Utilities Private Limited
	Adani Hospitals Mundra Private Limited
	Adani Hazira Port Private Limited
Entities over which major shareholders of the holding company are able to exercise significant influence through voting powers	Adani Enterprises Limited
	Adani Power Limited
	Adani Bunkering Private Limited
	Adani Wilmar Limited
Key Management Personnel	Mr. Jay H. Shah -Non Executive Director
	Ms. Birva Patel - Non Excecutive Director (Appointed w.e.f.,December 15, 2015)
	Mr. Shyamal Joshi -Non Excecutive Director (Appointed w.e.f., March 19, 2016)
	Mr. Ennarasu Karunesan -Managing Director (Appointed w.e.f., November 10, 2015)
	Capt. Unmesh Abhyankar -Executive Director
	Mr. Karan Adani -Executive Director (Appointed w.e.f., November 10, 2015)
	Mr. Sudipta Bhattacharya - Executive Director (uptol November 09, 2015)
	Mr. G J Rao -Executive Director (upto November 09, 2015)
	Mr. Manish Kumar Agarwal-Chief Financials Officer and company secretary

Notes:

(i)The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

(ii) Aggregate of transactions for the year ended with these parties have been given below.

Category	Name of Related Party	31 March 2017	31 March 2016
		` in Lacs	` in Lacs
Borrowings (Loan taken)	Adani Ports and Special Economic Zone Limited	12,582.77	28,070.90
Borrowings (Loan repaid)	Adani Ports and Special Economic Zone Limited	4,950.57	14,528.90
Equity share capital Allotted	Adani Enterprises Limited	-	2,600.00
	Adani Ports and Special Economic Zone Limited	-	7,400.00
Purchase of services (Capital)	Adani Ports and Special Economic Zone Limited	18.13	399.50
Purchase of services	Karnavati Aviation Private Limited	-	85.42
	Adani Enterprises Limited	53.64	4.55
	Adani Hospitals Mundra Private Limited	1.20	-
Purchase of materials	Adani Ports and Special Economic Zone Limited	7.71	118.69
	Adani Power Limited	45.22	-
	Adani Hazira Port Private Limited	0.61	-
	Adani Hospitals Mundra Private Limited	0.34	-
Reimbursement of expenses	Adani Ports and Special Economic Zone Limited	-	0.25
	Adani Logistics Limited	-	9.71
Recovery of Expense	Adani Logistics Limited	45.49	-
Rendering of services	Adani Logistics Limited	5,595.34	6,693.50
	Adani Wilmar Limited	35.99	-
Advance to supplier	Adani Bunkering Private Limited		-
Interest Expenses	Adani Ports and Special Economic Zone Limited	468.13	9,049.80
Sale of materials	Adani Ports and Special Economic Zone Limited	1.30	202.77
	Adani Hazira Port Private Limited	2.79	-
Sale of Scrap	Adani Ports and Special Economic Zone Limited	-	0.63
Sale of Asset	The Dhamra Port Company Limited	-	1.62
Interest Income	Adani Bunkering Private Limited	293.75	39.43
Sitting Fees	Mr. Jay H. Shah	0.86	0.71
	Mr. Shyamal Joshi	-	0.90
	Ms. Birva Patel	1.13	0.12

Closing Balances

Category	Name of Related Party	31 March 2017 ` in Lacs	31 March 2016 ` in Lacs	01 April 2015 ` in Lacs
Inter corporate loan (Non-current)	Adani Ports and Special Economic Zone Limited	1,09,552.88	1,06,313.88	92,771.88
Inter corporate loan (current)	Adani Ports and Special Economic Zone Limited	4,393.20	-	
Capital creditors	Adani Ports and Special Economic Zone Limited	-	399.50	0.24
	Karnavati Aviation Private Limited	-	-	126.14
Other current Liabilities	MPSEZ Utilities Private Limited	-	0.60	
Trade payables	Adani Ports and Special Economic Zone Limited	43.81	61.13	147.12
	Adani Logistics Limited	124.26	124.26	-
	Adani Enterprises Limited	18.60	1.31	-
	Adani Power Limited	10.73		-
	Karnavati Aviation Private Limited	-	0.18	-
Current Assets	Adani Logistics Limited	45.49	-	
Interest accrued but not due	Adani Ports and Special Economic Zone Limited	468.13	3,832.56	8,715.70
Advances recoverable in cash or kind	Adani Bunkering Private Limited	2,500.00	2,500.00	-
Interest Accrued and Due (Receivable)	Adani Bunkering Private Limited	299.87	35.49	-
Trade receivable	Adani Ports and Special Economic Zone Limited	1.39	-	-
	Adani Hazira Port Private Limited	0.06	-	-
	Adani Logistics Limited	2,113.85	3,444.58	153.37

Terms and conditions of transactions with related parties

1. Outstanding balances of related parties at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

2. Inter corporate deposit is received from Adani Ports and Special Economic Zone Limited, the holding Company, at the interest rate of 9.00%. The Company has received an interest waiver on the Inter Corporate deposit from the Holding Company for the balance outstanding as at March 31, 2016 w.e.f. April 01, 2016 for a period of one year. Accordingly, no interest expense has been booked on such balance of borrowings during the period.

3. Managing Director, Executive Directors, Chief Financial Officer and Company Secretary of the company is in employment with the holding company, Adani Ports and Special Economic Zone Limited and they are paid remuneration by the holding company.

4. The company has availed letter of credit facilities of ` 1,011.84 lacs (previous year ` 1,073.62 lacs and April 01, 2015 ` 956.79 lacs) out of the limits available with the holding company.

5. The company has issued bank guarantees of ` 297.18 lacs (previous year ` 259 .00 lacs and April 01, 2015 ` 4,279.00 lacs) out of the limits available with the holding company.

Adani Kandla Bulk Terminal Private Limited

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

28 Derivative instruments and unhedged foreign currency exposure

(a) The Company takes various types of derivative instruments. The category-wise outstanding position of derivative instruments is as under:

Nature	Particulars of derivatives			Purpose
	March 31, 2017	March 31, 2016	April 01. 2015	
Foreign currency option contract	USD 1.27 Million (Equivalent to INR 826.83 Lacs)	-	-	Hedging of foreign currency term loan installment liability of USD 1.27 Million
Foreign currency Forward contract	USD 0.021 Million EUR 801 (Equivalent to INR 14.26 Lacs)	-	-	Hedging of foreign currency term loan Interest liability of USD O.O21 Million and EUR 801

(b) 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		As at April 01, 2015	
	Amount	**Foreign Currency**	Amount	Foreign Currency	Amount	Foreign Currency
	-	**In Million**	-	In Million	-	In Million
Borrowings from bank under Buyers credit	185.01	EURO 0.27	1,073.62	EURO 14.24	956.79	EURO 14.24
Interest accrued but not due	-	-	1.56	EURO 0.02	2.17	EURO 0.03
Trade payables	-	-	3.25	USD 0.05	3.06	USD 0.05
Other current Liabilities	3.18	#	-	-	-	-

Figures being nullified on conversion to foreign currency in million.

Closing rates as at :

	March 31, 2017	March 31, 2016	April 01, 2015
INR / USD	**64.85**	66.26	62.50
INR / EUR	**69.29**	75.40	67.19

29 Financial Instruments, Fair value Measurement, Financial Risk & Capital Management

29.1 Category-wise Classification of Financial Instruments:

` in Lacs

Particulars	Refer Note	As at March 31, 2017		
		Fair Value through Profit & Loss	**Amortised Cost**	**Carrying Value**
Financial Asset				
Investments in unquoted Mutual Funds	7	423.55	-	423.55
Trade receivables	8	-	2,537.62	2,537.62
Cash and Cash Equivalents	9	-	61.78	61.78
Others Financial Assets	4	-	350.84	350.84
Total		**423.55**	**2,950.24**	**3,373.79**
Financial Liabilities				
Borrowings (including current Maturities)	11	-	1,14,957.92	1,14,957.92
Trade Payables	14	-	1,378.06	1,378.06
Derivatives not designated as Hedges	15	30.72	-	30.72
Other Financial Liabilities	15	-	1,383.02	1,383.02
Total		**30.72**	**1,17,719.00**	**1,17,749.72**

` in Lacs

Particulars	Refer Note	As at March 31, 2016		
		Fair Value through Profit & Loss	Amortised Cost	Carrying Value
Financial Asset				
Trade receivables	8	-	3,504.88	3,504.88
Cash and Cash Equivalents	9	-	27.94	27.94
Others Financial Assets	4	-	137.80	137.80
Total		**-**	**3,670.62**	**3,670.62**
Financial Liabilities				
Borrowings (including current Maturities)	11	-	1,07,387.50	1,07,387.50
Trade Payables	14	-	1,644.80	1,644.80
Other Financial Liabilities	15	-	5,299.85	5,299.85
Total		**-**	**1,14,332.15**	**1,14,332.15**

` in Lacs

Particulars	Refer Note	As at April 01, 2015		
		Fair Value through Profit & Loss	Amortised Cost	Carrying Value
Financial Asset				
Trade receivables	8	-	153.37	153.37
Cash and Cash Equivalents	9	-	9.73	9.73
Others Financial Assets	4	-	109.62	109.62
Total		**-**	**272.72**	**272.72**
Financial Liabilities				
Borrowings (including current Maturities)	11	-	93,728.67	93,728.67
Trade Payables	14	-	359.98	359.98
Other Financial Liabilities	15	-	12,636.87	12,636.87
Total		**-**	**1,06,725.52**	**1,06,725.52**

29.2 Fair Value Measurements :

a) Quantitative disclosures fair value measurement hierarchy for financial assets and financial liabilities

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities:

` in Lacs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Significant Observable (Level 2)	Significant Observable (Level 2)	Significant Observable (Level 2)
Financial Assets			
Investments in unquoted Mutual Funds measured at FVTPL (refer note 7)	423.55	-	-
Financial Liabilities			
Derivative instrument (refer note 15)	30.72	-	-

b) Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

29.3 Financial Risk objective and policies

The Company's principal financial liabilities, other than derivatives, comprises loans, borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations/projects. The Company's principal financial assets include investment including mutual funds, trade and other receivables, and cash and cash equivalents . The Company also 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) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. The Holding Company's senior management oversees the management of these risks. It manages its exposure to these risks through derivative financial instruments by hedging transactions. It uses derivative instruments such as 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 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.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits, short term Investments and derivative financial instruments.
The sensitivity analyses in the following sections relate to the position as at March 31, 2017 and March 31, 2016.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2017. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions.
The following assumptions have been made in calculating the sensitivity analyses:
- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017 and March 31, 2016.

(i) 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 and period of borrowings. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended March 31, 2017 would decrease / increase ` 10.14 Lacs (for the year ended 31st March, 2016: decrease / increase by ` 10.74 Lacs). This is mainly attributable to interest rates on variable rate Buyer's credit.

(ii) 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 various foreign exchange contracts to mitigate the risk arising out of foreign exchange rate movement on foreign currency borrowings or trade payables.

The details of exposures hedged using forward exchange contracts are given as a part of Note 28(a) and the details of unhedged exposures are given as part of Note 28(b)

The Company is mainly exposed to changes in USD & EURO. The below table demonstrates the sensitivity to a 1% increase or decrease in the respective foreign currency rates against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 1% represents management's assessment of reasonably possible change in foreign exchange rate.

` in Lacs

Particulars	Impact on profit before tax	
	For the year ended March 31, 2017	For the year ended March 31, 2016
USD Sensitivity		
RUPEES / USD – Increase by 1%	(0.03)	(0.03)
RUPEES / USD – Decrease by 1%	0.03	0.03
EURO Sensitivity		
RUPEES / EURO – Increase by 1%	-	(10.75)
RUPEES / EURO – Decrease by 1%	-	10.75

(b) 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 grouped into homogenous groups and assessed for impairment collectively.

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.

Concentrations of Credit Risk form part of Credit Risk

Considering that the Company operates the port services and related infrastructure at Kandla, the Company is significantly dependent on cargo from or to such large port user customer. Out of total revenue, the Company earns ` 5,595. 34 Lacs of revenue during the year ended March 31, 2017 (previous year ` 6,693.5 lacs) from such port users which constitute 63 % (previous year 87%). Accounts receivable from such customer approximated ` 2,113.85 lacs as at March 31, 2017 and ` 3,444.58 lacs as at March 31, 2016. A loss of these customer could adversely affect the operating result or cash flow of the Company.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analysis derivative and non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

` in Lacs

Particulars	On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
As at March 31, 2017					
Borrowings (refer Note 11)	-	4,612.18	1,668.78	1,08,676.96	1,14,957.92
Trade Payables (refer Note 14)	-	1,378.06	-	-	1,378.06
Derivatives not designated as Hedges (refer note 15)	-	30.72	-	-	30.72
Other Financial Liabilities (refer note 15)	-	1,383.02	-	-	1,383.02
Total	-	**7,403.98**	**1,668.78**	**1,08,676.96**	**1,17,749.72**
As at March 31, 2016					
Borrowings (refer Note 11)	-	1,073.62	-	1,06,313.88	1,07,387.50
Trade Payables (refer Note 14)	-	1,644.80	-	-	1,644.80
Other Financial Liabilities (refer note 15)	-	5,299.85	-	-	5,299.85
Total	**-**	**8,018.27**	**-**	**1,06,313.88**	**1,14,332.15**
As at April 01, 2015					
Borrowings (refer Note 11)	-	1,392.67	-	92,336.00	93,728.67
Trade Payables (refer Note 14)	-	359.98	-	-	359.98
Other Financial Liabilities (refer note 15)	-	12,636.87	-	-	12,636.87
Total	**-**	**14,389.52**	**-**	**92,336.00**	**1,06,725.52**

29.4 Capital management

For the purposes of the company's capital management, capital includes issued capital and all other equity. The primary objective of the company's capital management is to maximize shareholder value long term and short term goal of the Company. 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.

` in Lacs

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Total Borrowings (refer note 11)	1,14,957.92	1,07,387.50	93,728.67
Less: Cash and cash equivalents (refer note 9)	61.78	27.94	9.73
Net Debt (A)	**1,14,896.14**	**1,07,359.56**	**93,718.94**
Total Equity (B)	**(13,137.74)**	**(4,007.61)**	**1,419.93**
Total Equity and Net Debt (C = A + B)	**1,01,758.40**	**1,03,351.95**	**95,138.87**
Gearing ratio	113%	104%	99%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

Adani Kandla Bulk Terminal Private Limited

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

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

` in Lacs

Sr No	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	0.07	0.50
	Interest	Nil	Nil
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

31 The recoverable amount of the CGUs are determined from value -in-use calculation. The key assumptions for the value-in-use calculations are those regarding the discount rate, growth rates and expected changes to direct costs during the year. Management estimates discount rate using pre-tax rates that reflect current market assessments of the time value of money. The growth rate are based on management's forecasts . Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Company prepares its forecasts based on the most recent financial budget approved by management with projected revenue growth rates raging from 13% to 20 % the rate used to discount the forecast is 8.5% p.a.

The management believe that any reasonable possible change in any these assumptions would not cause the carrying amount to exceed its recoverable amount.

As at March 31, 2017, the Company has incurred net loss of ` 9,130.13 lacs ( March 31, 2016 ` 15,427.54 lacs) and has accumulated losses of ` 25,142.74 lacs (March 31, 2016 ` 16,012.61 lacs) which has resulted in substantial erosion of the Company's net worth. The Company has incurred cash loss during the current period and in the previous year. Considering this being third year of the Company's operations, the management expects that there will be significant increase in the operations of the Company that will lead to improved cash flows and long term sustainability. Adani Ports and Special Economic Zone Limited, the Holding Company has undertaken to provide such financial support as necessary, to enable the Company to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. Accordingly, these financial results have been prepared on a 'going concern' basis.

32 Capital commitments & other commitment

Capital commitments

` in Lacs

Particulars	March 31, 2017	March 31, 2016
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	435.00	175.61

Other commitment

Apart from above, the company has entered into a long-term arrangement for purchasing diesel. The company has given interest bearing advance of ` 2,500 Lacs as per the agreement.

33 Contingent liabilities not provided for

There is no contingent Liability as on March 31, 2017.

34 Disclosure on specified bank note

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.

35 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

(a) Amendments to Ind AS 7, Statement of Cash Flows: The amendments to Ind AS 7 requires an entity 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. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after April 01, 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

These amendments does not have material impact on Company's financial statements. The Company will adopt these amendments from their applicability date.

36 Explanatory Notes

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

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for the year ending on March 31,2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2015 and financial statements as at and for the year ended March 31, 2016.

36.1 Exemptions 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 evaluated that it is impracticable to apply Appendix A to Ind AS 11 relating to service concession arrangements retrospectively, and accordingly elected to apply exemption under Ind AS 101, use previous GAAP carrying amounts of intangible assets, after testing for impairment, as their carrying amounts at the date of transition to Ind AS.

(c) 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.

(d) 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.

(e) 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:
- FVTOCI – unquoted equity shares
- 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.

(f) Fair value measurement of financial assets or liabilities
The Company has applied provision of Ind AS 109 for financial assets or liabilities measured at fair value prospectively to transactions occurring on or after date of transition to Ind AS.

36.2 The Company's management had previously issued its audited financial results for the year ended March 31, 2016 on April 26, 2016 that were all prepared in accordance with the recognition and measurement principles of the Companies (Accounting Standards) Rules, 2006 prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and other accounting principles generally accepted in India ('Previous GAAP'). The Company's management has now prepared the Ind AS Financial Statements for the year ended March 31,2017 in accordance with the recognition and measurement principles laid down by the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Para 7 of the Companies (Accounts) Rule, 2015 as amended and other accounting principles generally accepted in India.

The Company has prepared a reconciliation of the amounts of net profit as reported under the Previous GAAP to those computed as per Ind AS and the same is given in note no. 36.3 and 36.4.1 below. The Company has also prepared a reconciliation of the amounts of total equity as reported under the Previous GAAP to those computed as per Ind AS and the same is given in note no. 36.3 and 36.4.2 below.

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

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

` in Lacs

	Foot-notes	March 31, 2016 (Last period presented under IGAAP)			April 01, 2015 (Date of transition)		
		IGAAP	Adjustments	Ind AS	IGAAP	Adjustments	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	(a)	98,227.31	(97,609.39)	617.92	82,842.48	(82,641.51)	200.97
Capital work-in-progress	(a)	791.02	(791.02)	-	19,002.63	(19,002.63)	-
Other Intangible assets	(a)	32.21	97,609.39	97,641.60	21.07	82,641.51	82,662.58
Intangible assets under development	(a)	-	791.02	791.02	-	19,002.63	19,002.63
Financial assets							
Other financial assets	(b)	-	42.27	42.27	-	38.95	38.95
Other non-current assets	(b)	4,974.41	(260.50)	4,713.91	1,593.91	3,529.71	5,123.62
		1,04,024.95	**(218.23)**	**1,03,806.72**	**1,03,460.09**	**3,568.66**	**1,07,028.75**
Current assets							
Inventories		1,160.46	-	1,160.46	464.27	-	464.27
Financial assets							
Trade receivables	(b)	3,505.93	(1.05)	3,504.88	153.37	-	153.37
Cash and Cash Equivalents		27.94	-	27.94	9.73	-	9.73
Others current financial assets	(b)	-	95.53	95.53	-	70.67	70.67
Other current assets	(b)	2,989.12	122.91	3,112.03	4,386.83	(3,639.71)	747.12
		7,683.45	**217.39**	**7,900.84**	**5,014.20**	(3,569.04)	**1,445.16**
Total assets		**1,11,708.40**	**(0.84)**	**1,11,707.56**	**1,08,474.29**	**(0.38)**	**1,08,473.91**
EQUITY AND LIABILITIES							
EQUITY							
Equity share capital		12,005.00	-	12,005.00	2,005.00	-	2,005.00
Retained earnings	Refer note 36.4.2	(16,027.20)	14.59	(16,012.61)	(584.69)	(0.38)	(585.07)
Total equity		**(4,022.20)**	**14.59**	**(4,007.61)**	**1,420.31**	**(0.38)**	**1,419.93**
LIABILITIES							
Non-current liabilities							
Financial liabilities							
Borrowings		1,06,313.88	-	1,06,313.88	92,336.00	-	92,336.00
Provisions		-	-	-	0.04	-	0.04
Deferred tax liabilities (net)	(d)	750.43	(15.43)	735.00	-		-
		1,07,064.31	**(15.43)**	**1,07,048.88**	**92,336.04**	**-**	**92,336.04**
Current liabilities							
Financial liabilities							
Trade payables		1,644.80	-	1,644.80	359.98	-	359.98
Other current financial liabilities	(b)	-	6,373.47	6,373.47	-	14,029.54	14,029.54
Other current liabilities	(b)	6,943.16	(6,373.47)	569.69	14,357.89	(14,029.54)	328.35
Net employee defined benefit liabilities		78.33	-	78.33	0.07	-	0.07
		8,666.29	**-**	**8,666.29**	**14,717.94**	**-**	**14,717.94**
Total liabilities		**1,15,730.60**	**(15.43)**	**1,15,715.17**	**1,07,053.98**	**-**	**1,07,053.98**
Total Equity and Liabilities		**1,11,708.40**	**(0.84)**	**1,11,707.56**	**1,08,474.29**	**(0.38)**	**1,08,473.91**

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

` in Lacs

	Foot-note	IGAAP (As per Signed FS)	Adjustments	Ind AS
INCOME				
Rendering of services		7,699.63	-	7,699.63
Other income	(b)	56.33	3.31	59.64
Total Income		**7,755.96**	**3.31**	**7,759.27**
EXPENSES				
Terminal Royalty		2,343.57	-	2,343.57
Operating expenses	(b)	4,786.74	33.56	4,820.30
Employee benefits expense	(c)	582.02	(44.13)	537.89
Depreciation and amortization expense		5,201.27	-	5,201.27
Finance costs	(b)	8,563.39	3.78	8,567.17
Other expenses	(b)	971.04	(33.56)	937.48
Total Expense		**22,448.03**	**(40.35)**	**22,407.68**
Profit/(loss) before exceptional items and tax		(14,692.07)	43.66	(14,648.41)
Exceptional items				
Profit/(loss) before tax		**(14,692.07)**	**43.66**	**(14,648.41)**
Tax expense:				
Deferred Tax	(d)	750.43	(0.16)	750.27
Less: MAT credit entitlement		-	-	-
Income tax expenses		**750.43**	**(0.16)**	**750.27**
Profit/(Loss) for the year		**(15,442.50)**	**43.82**	**(15,398.68)**
Other Comprehensive Income	(e)			
(a) Items that will not be reclassified to profit and loss in subsequent period				
Re-measurement gains (losses) on defined benefit plans	(c)	-	(44.13)	(44.13)
Income Tax effect	(b)	-	15.27	15.27
		-	**(28.86)**	**(28.86)**
(b) Items that will be reclassified to profit and loss in subsequent period		-	-	-
Other Comprehensive Income for the year		-	(28.86)	(28.86)
Total Comprehensive Income for the year		**(15,442.50)**	**14.96**	**(15,427.54)**

36.4 Reconciliation of total comprehensive income between previously reported (referred to as "Previous GAAP") and Ind AS for the year ended March 31, 2016 is presented as under : -

36.4.1 Reconciliation of total comprehensive income:-

Nature of Adjustments	Year Ended March 31, 2016 ` in Lacs
Net Loss as per previous GAAP	**(15,442.50)**
i) Remeasurement cost of net defined benefit liability (refer note (c) below)	44.13
ii) Net gain/(loss) on financial assets / liabilities fair valued through statement of profit and loss (refer note (a) below)	(0.47)
iiii) Deferred tax impact on above adjustments (refer note (b) below)	0.16
Total	43.82
Net profit before OCI as per Ind AS	**(15,398.68)**
Other comprehensive Income (net of tax) (refer note (e) below)	(28.86)
Total comprehensive income as per Ind AS	**(15,427.54)**

36.4.2 Reconciliation of equity:-

Nature of Adjustments	As at March 31, ` in Lacs	As at April 01, 2015 ` in Lacs
Equity as per Previous GAAP	**(4,022.20)**	**1,420.31**
Fair Valuation of Financial Asset (net of tax) (refer note (b) below)	(0.68)	(0.38)
Deferred tax asset on Remeasurement of cost of net defined benefit liability (refer note (c) below)	15.27	-
Total adjustments	**14.59**	**(0.38)**
Equity as per Ind AS	**(4,007.61)**	**1,419.93**

Explanatory Notes to the transition from previous GAAP to Ind AS :

(a) Port concession rights arising from Service Concession/Sub-Concession Arrangements:
The Company recognises port concession rights as "Intangible Assets" arising from a service concession arrangement, in which the grantor controls or regulates the services provided and the prices charged, and also controls any significant residual interest in the infrastructure such as property, plant and equipment, if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Company as part of the service concession arrangement. Such an intangible asset is recognised by the Company at cost (which is the fair value of the consideration received or receivable for the construction service delivered) and is capitalised when the project is complete in all respects and the Company receives the completion certificate from the authorities as specified in the concession agreement.

Port concession rights include certain property, plant and equipment which are reclassified as intangible assets in accordance with Appendix A of Ind AS 11 ‘Service Concession Arrangements’. These assets are amortised based on the lower of their useful lives or concession period.

Gains or losses arising from de-recognition of port concession rights 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 de-recognised.

(b) Classification and fair value measurement of Financial Assets and Financial Liabilities: The Company has assessed the classification and fair valuation impact of financial assets and liabilities under Ind AS 32 / Ind AS 109 on the basis of the facts and circumstances at the transition date. Impact of fair value changes as on date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss Account or Other Comprehensive Income, as the case may be.

(c) Remeasurement cost of net defined liability : Both under Indian GAAP and Ind AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements 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.

(d) Deferred Tax : Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

(e) Other comprehensive income: Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP Statement of Profit and Loss to Statement of Profit and Loss as per Ind AS. Further, Indian GAAP Statement of Profit and Loss is reconciled to total comprehensive income as per Ind AS.

(f) Statement of cash flows : The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

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Adani Kandla Bulk Terminal Private Limited

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

37 Events occurring after the Balance sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 11, 2017, there are no subsequent events to be recognised or reported that are not already disclosed.

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration No.: 324982E/E300003
Chartered Accountants

per Arpit K. Patel
Partner
Membership No. 34032

Place: Ahmedabad
Date: May 11, 2017

For and on behalf of Board of Directors of
Adani Kandla Bulk Terminal Private Limited

Ennarasu Karunesan
[Managing Director]
DIN :00200432

Unmesh Abhyankar
[Director]
DIN 03040812

Manish Kumar Agarwal
[CFO & Company Secretary]

Place: Ahmedabad
Date: May 11, 2017