INDEPENDENT AUDITOR'S REPORT

To the Members of Adani Kattupalli Port Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Adani Kattupalli Port 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 Rule 7 of the Companies (Accounts) Rules, 2014 and 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 profit 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 (Accounts) Rules, 2014 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 litigation which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

iv. The Company has provided requisite disclosure in note 31 to these standalone Ind AS financial statements as to the holdings and dealing in Specified Bank Notes as defined in the notification S.O.3407 (E) dated November 08, 2016, of the Ministry of Finance during the period from November 08, 2016 to December 30, 2016. Based on the audit procedure performed and the representation provide to us by the management we report that the disclosures are in accordance with the books of accounts maintained by the Company more so described in Note 31.

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

per Santosh Aggarwal
Partner
Membership Number: 93669
Place of Signature: Ahmedabad
Date: May 04, 2017

Annexure - 1 referred to in paragraph on Report on Other Legal and Regulatory Requirements of our report of even date of Adani Kattupalli Port Private Limited for the year ended March 31, 2017

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

(b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The management has conducted physical verification of inventory in the nature of port operations consumable and spare parts at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

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

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

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

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

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

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

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

(viii) The Company has not taken any loan from financial institution or bank and has not issued debentures during the period; accordingly the provisions of clause 3(viii) of the Order are not applicable to the Company and hence not commented upon.

(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 on or by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, The Company has not paid any managerial remuneration during the period and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

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

(xiii) According to the information and explanations given by the management, transactions with 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 Santosh Aggarwal
Partner
Membership Number: 93669
Place of Signature: Ahmedabad
Date: May 04, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ADANI KATTUPALLI PORT 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")

We have audited the internal financial controls over financial reporting of Adani Kattupalli Port 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 Santosh Aggarwal
Partner
Membership Number: 93669
Place of Signature: Ahmedabad
Date: May 04, 2017

Adani Kattupalli Port Private Limited

Balance Sheet as at March 31, 2017

` in Lacs

Particulars	Notes	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property, Plant and Equipment	3(a)	0.97	-
Capital Work-in-Progress	3(c)	31.11	-
Other Intangible Assets	3(b)	25.24	-
Other Non-Current Assets	6	125.15	19.70
		182.47	**19.70**
Current Assets			
Inventories	7	38.06	-
Financial Assets			
(i) Trade Receivables	4	2,074.09	861.03
(ii) Cash and Cash Equivalents	8	391.91	1,319.39
(iii) Other Financial Assets	5	1,39,615.33	-
Other Current Assets	6	7,963.90	3,436.63
		1,50,083.29	**5,617.05**
Total Assets		**1,50,265.76**	**5,636.75**
Equity and Liabilities			
Equity			
Equity Share Capital	9.1	5.00	5.00
Equity Component of Perpetual Debt	9.2	1,45,000.00	-
Other Equity	10	(7,978.27)	(6,367.27)
Total Equity		**1,37,026.73**	**(6,362.27)**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	11	10,420.16	9,090.00
		10,420.16	**9,090.00**
Current Liabilities			
Financial Liabilities			
(i) Trade Payables	14	2,045.60	2,072.67
(ii) Other Financial Liabilities	12	458.47	315.66
Other Current Liabilities	13	314.80	520.69
		2,818.87	**2,909.02**
Total Liabilities		**13,239.03**	**11,999.02**
Total Equity and Liabilities		**1,50,265.76**	**5,636.75**

The accompanying notes form 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

For and on behalf of Board of Directors

per Santosh Aggarwal
Partner
Membership No. 93669

Karan Adani
[Director]
DIN: 03088095

Sandeep Mehta
[Director]
DIN: 00897409

Place: Ahmedabad
Date: May 04, 2017

Place: Ahmedabad
Date: May 04, 2017

Adani Kattupalli Port 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 period August 14, 2015 to March 31, 2016
Income			
Rendering from Operations	15	15,044.10	2,381.90
Other Income	16	4,285.46	2.09
Total Income		**19,329.56**	**2,383.99**
Expenses			
Operating Expenses	17	4,567.40	1,190.22
Port Management Fees to Lessor		14,235.16	6,394.13
Depreciation and Amortization Expense	3	0.13	-
Finance Costs	18	460.70	339.07
Other Expenses	19	1,677.17	827.84
Total Expense		**20,940.56**	**8,751.26**
(Loss) Before Tax		**(1,611.00)**	**(6,367.27)**
Income Tax Expense		**-**	**-**
(Loss) for the year / period		**(1,611.00)**	**(6,367.27)**
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other Comprehensive Income for the year		**-**	**-**
Total Comprehensive Income for the year net of tax		**(1,611.00)**	**(6,367.27)**
Earnings per Share - (Face value of ` 10 each) Basic and Diluted (in `)	23	**(322.20)**	**(1,273.45)**

The accompanying notes form 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

For and on behalf of Board of Directors

per Santosh Aggarwal
Partner
Membership No. 93669

Karan Adani
[Director]
DIN: 03088095

Sandeep Mehta
[Director]
DIN: 00897409

Place: Ahmedabad
Date: May 04, 2017

Place: Ahmedabad
Date: May 04, 2017

Adani Kattupalli Port Private Limited

Statement of Changes in Equity for the period August 14 ,2015 to March 31, 2016

` in Lacs

Particulars	Equity Share Capital	Equity Component of Perpetual Debt	Reserves and Surplus Retained Earning	Other Comprehensive Income	Total
Balance as on August 14, 2015	-	-	-	-	-
(Loss) for the period	-		(6,367.27)	-	**(6,367.27)**
Other Comprehensive Income	-		-	-	-
Total Comprehensive Income for the year	-	-	**(6,367.27)**	-	**(6,367.27)**
Equity capital issued during the year	5.00	-	-	-	**5.00**
Balance as on March 31, 2016	**5.00**	-	**(6,367.27)**	-	**(6,362.27)**

Statement of Changes in Equity for the year ended March 31, 2017

` in Lacs

Particulars	Equity Share Capital	Equity Component of Perpetual Debt	Reserves and Surplus Retained Earning	Other Comprehensive Income	Total
Balance as on April 01, 2016	**5.00**	-	**(6,367.27)**	-	**(6,362.27)**
(Loss) for the year	-		(1,611.00)	-	**(1,611.00)**
Other Comprehensive Income	-		-	-	-
Total Comprehensive Income for the year	-	-	**(1,611.00)**	-	**(1,611.00)**
Proceeds of perpetual debt	-	1,45,000.00	-	-	**1,45,000.00**
Balance as on March 31, 2017	**5.00**	**1,45,000.00**	**(7,978.27)**	-	**1,37,026.73**

The accompanying notes are an integral part of the financial statements

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

per Santosh Aggarwal
Partner
Membership No. 93669

Place: Ahmedabad
Date: May 04, 2017

For and on behalf of Board of Directors of

Karan Adani
[Director]
DIN: 03088095

Sandeep Mehta
[Director]
DIN: 00897409

Place: Ahmedabad
Date: May 04, 2017

Adani Kattupalli Port Private Limited

Statement of Cash Flows for the year ended March 31, 2017

` in Lacs

	Particulars	For the year ended March 31, 2017	For the period August 14, 2015 to March 31, 2016
(A)	**Cash flow from operating activities**		
	Profit before tax	(1,611.00)	(6,367.27)
	Adjustments for:		
	Depreciation and amortisation	0.13	-
	Interest income (Including change in fair valuation)	(4,260.23)	-
	Net (gain) on sale of current investments	(22.16)	-
	Interest expense	458.95	339.07
	Amortisation of Port Management Fee	4,366.07	
	Provision for doubtful advances (net)	(4.10)	-
	Operating (loss) before working capital changes	**(1,072.34)**	**(6,028.20)**
	Adjustments for :		
	(Increase) in Trade Receivables	(1,213.06)	(861.03)
	(Increase) in Inventories	(38.06)	-
	(Increase) in Financial Assets	(921.25)	-
	Decrease / (Increase) in Other Assets	1,674.73	(3,436.63)
	Increase in Trade Payables	(27.07)	2,072.67
	Increase / (Decrease) in Other Liabilities	(205.89)	520.69
	Increase in Financial Liabilities	16.00	10.50
	Cash Generated from Operations	**(1,786.93)**	**(7,722.00)**
	Direct Taxes Paid (net)	(105.45)	(19.70)
	Net cash (outflow) from operating activities	**(1,892.38)**	**(7,741.70)**
(B)	**Cash flows from investing activities**		
	Purchase of fixed assets (Including capital work In progress and capital advances)	(38.54)	-
	Investment in equity	-	5.00
	Interest received	2.17	-
	Sale of investment in mutual fund (net) (refer note (2))	22.16	-
	Deposit given for acqusition of business	(1,45,000.00)	
	Net cash (used in)/inflow investing activities	**(1,45,014.21)**	**5.00**
(C)	**Cash flows from financing activities**		
	Proceeds from perpetual debt	1,45,000.00	-
	Proceeds from inter corporate deposit	13,525.00	9,090.00
	Repayment of intercorporate deposit	(12,194.84)	-
	Interest paid	(351.05)	(33.91)
	Net Cash Flow from Financing Activities	**1,45,979.11**	**9,056.09**
	Net (Decrease)/Increase in Cash & Cash Equivalents (A + B + C)	(927.48)	1,319.39
	Cash and Cash Equivalents at the Beginning of the Year	1,319.39	-
	Cash & cash equivalents at the end of the year (Refer note-8)	**391.91**	**1,319.39**
	Component of Cash and Cash equivalents		
	Balances with scheduled bank		
	On current accounts	391.91	1,319.39
	Cash and Cash Equivalents at the end of the year	**391.91**	**1,319.39**

Summary of significant accounting policies refer note 2.2

The accompanying note are an integral part of the financial statements

(1) The Cash Flow Statement has been prepared under the Indirect method as set out in 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 ` 4,300.00 lacs and sale of investment in mutual fund of ` 4,322.16 lacs.

As per our report of even date

For S R B C & CO LLP

ICAI Firm Registration No.: 324982E/E300003

Chartered Accountants

For and on behalf of Board of Directors

per Santosh Aggarwal
Partner
Membership No. 93669

Karan Adani
[Director]
DIN: 03088095

Sandeep Mehta
[Director]
DIN: 00897409

Place: Ahmedabad
Date: May 04, 2017

Place: Ahmedabad
Date: May 04, 2017

1 Corporate information

Adani Kattupalli Port Private Limited (the Company or 'AKPPL') was incorporated on August 14, 2015 as a wholly owned subsidiary of Adani Ports and Special Economic Zone Limited with an objective to acquire and operate port at Kattupalli, Tamil Nadu.

The Company is operating and maintaining the Kattupalli port as " Port operator" w.e.f November 01, 2015 through an implementation agreement entered between the Company, L&T Shipbuilding Limited (LTSB) and Larsen & Tourbo Limited. Refer Other Commitment note 24.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 04, 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 26 for information on how the Company adopted Ind AS.

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

-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
- Expected to be realised within twelve months after the reporting period; or
- Held primarily for the purpose of trading; 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; or

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

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

b) Inventories

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

Stores and Spares: Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis.

- Net Realizable Value in respect of store and spares is the estimated current procurement price in the ordinary course of the business.

c) 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.

d) Property, plant and equipment (PPE)

Property , Plant and Equipment (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 directly and indirectly attributable costs arising directly from the construction/development and borrowing costs if capitalization criteria are met directly attributable cost of bringing the asset / project 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 included in PPE is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the borrowing costs for long-term construction projects if the recognition criteria are met. All other costs are recognized in profit or loss as incurred.

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. 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.

e) 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, 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. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

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

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

Intangible assets	Method of Amortisation	Estimated Useful Life
Software applications	on straight line basis	5 Years based on management estimates

f) 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 terminal operation services and transportation services mainly includes 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.

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.

Income from SEIS/SFIS

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 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 recognised as 'other non-financial assets'

g) Foreign Currency Transactions

The Company's financial statements are presented in INR, which is also company's functional currency. The Company determines the functional currency and items included in the financial statements of are measured using that functional currency. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of transaction.

h) 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.

i) Conversion

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

ii) Exchange Differences

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

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

i) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long - term investments. Long - term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or development of an asset / project 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.

k) Segment Reporting

In accordance with the Ind-As 108 -" Operating Segments" , the Company has determined its business segment as operating and maintaining the port based terminal infrastructure facilities. Since there are no other business segments in which the Company operates, there are no other primary reportable segments.

l) Related Party Transactions

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

m) 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.

The Company as a lessee

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

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

The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

n) Earnings per share (EPS)

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

o) Taxes

Tax expense comprises of current income tax and deferred tax.

i) 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 recognised 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.

ii) Deferred tax

Deferred tax is provided using the balance sheet 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 an asset or liability in a transaction that 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 affects neither the accounting profit nor taxable profit or loss

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.

p) 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, 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.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

q) 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.

r) 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 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, 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 management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management 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.

-Disclosures for valuation methods, significant estimates and assumptions (refer note 21)

-Quantitative disclosures of fair value measurement hierarchy (refer note 22)

-Financial instruments (including those carried at amortised cost) (refer note 21)

s) 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 two categories:

> Debt instruments at amortised cost

> Debt instruments, derivatives and financial instruments 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.

Debt instrument at FVTPL

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

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

Derecognition

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

> The rights to receive cash flows from the asset have expired, or

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

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

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on:
> Trade receivables or contract revenue receivables; and
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 since 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.

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, 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.

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 statement of 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.

2.3 Significant accounting estimates and assumptions

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

Estimates and assumptions

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

Fair value measurement of financial instruments

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

Adani Kattupalli Port Private Limited
Notes to Financials statements for the year ended March 31, 2017
Note 3 - Property, Plant and Equipment ,Intangible Assets and Capital Work in Progress
Note 3(a) - Property, Plant and Equipment

` in Lacs

Particulars	Tangible Assets	
	Plant & equipment	Total
Cost		
As at August 14, 2015	**-**	**-**
Additions	-	-
Deductions/Adjustment	-	-
As at March 31, 2016	**-**	**-**
Additions	0.97	0.97
Deductions/Adjustment	-	-
Exchange difference	-	-
As at March 31, 2017	**0.97**	**0.97**
Depreciation and Impairment		
As at August 14, 2015	**-**	**-**
Depreciation for the year	-	-
Deductions/(Adjustment)	-	-
As at March 31, 2016	**-**	**-**
Depreciation for the year	0.00	0.00
Deductions/(Adjustment)	-	-
As at March 31, 2017	**0.00**	**0.00**
Net Block		
As at March 31, 2017	0.97	0.97
As at March 31, 2016	-	-
As at August 14, 2015	-	-

Note 3(b) Intangible Assets

` in Lacs

Particulars	Intangible Assets	
	Software	Total
Cost		
As at August 14, 2015	**-**	**-**
Additions	-	-
Deductions/Adjustment	-	-
Exchange difference	-	-
As at March 31, 2016	**-**	**-**
Additions	25.37	25.37
Deductions/Adjustment	-	-
Exchange difference	-	-
As at March 31, 2017	**25.37**	**25.37**
Depreciation and Impairment		
As at August 14, 2015	**-**	**-**
Depreciation for the year	-	-
Deductions/(Adjustment)	-	-
As at March 31, 2016	**-**	**-**
Depreciation for the year	0.13	0.13
Deductions/(Adjustment)		-
As at March 31, 2017	**0.13**	**0.13**
Net Block		
As at March 31, 2017	25.24	25.24
As at March 31, 2016	-	-
As at August 14, 2015	-	-

Note 3(c) Capital Work in Progress

` in Lacs

Particulars	Amount
As at March 31, 2017	31.11
As at March 31, 2016	-

4 Trade Receivables (Unsecured, unless otherwise stated)

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
Current		
Trade Receivables	2,074.09	861.03
Considered doubtful	4.10	-
	2,078.19	861.03
Provision for doubtful debts	(4.10)	-
	2,074.09	**861.03**

Note:

No Trade or other receivable are due from directors or other officers of the company either separately or jointly with any other person.Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner,a director or a member.
Trade receivable are non interest bearing and are generally realisable within 7 to 30 days as per terms.

5 Other Financial assets

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
Current		
Advance (Deposit) against obligation (refer note 24)	1,38,694.08	-
Insurance claim (refer note 28)	921.25	-
	1,39,615.33	**-**

6 Other Assets

		March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
Non Current			
Others (Unsecured)			
Income tax recoverable		125.15	19.70
		125.15	**19.70**
Current			
Advances recoverable in cash or in kind			
Unsecured, considered good		98.68	49.14
	(A)	**98.68**	**49.14**
Others (Unsecured)			
Prepaid Expenses		6,308.52	2,640.17
Accrued revenue		116.86	-
Balances with statutory/ Government authorities		932.92	747.32
Others (Also refer Note 2.2 (f))		506.92	-
	(B)	**7,865.22**	**3,387.49**
		7,963.90	**3,436.63**

7 Inventories

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
Stores and spares (value at lower of cost or net realisable value)	38.06	-
	38.06	**-**

8 Cash and cash equivalents

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
Balances with banks:		
Balance in current account	391.91	1,319.39
	391.91	**1,319.39**

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Adani Kattupalli Port Private Limited
Notes to Financials statements for the year ended March 31, 2017

9.1 Equity Share capital

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
Authorised		
50,000 Equity Shares of ` 10 each ( 50,000 Equity Shares of ` 10 each as at March 31, 2016)	5.00	5.00
	5.00	**5.00**
Issued, subscribed and fully paid up shares		
50,000 Equity Shares of ` 10 each ( 50,000 Equity Shares of ` 10 each as at March 31, 2016)	5.00	5.00
	5.00	**5.00**

Notes:

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

	March 31, 2017		March 31, 2016	
	No in Lacs	` in Lacs	No in Lacs	` in Lacs
As the beginning of the year	5.00	0.50	5.00	0.50
New Shares Issued during the year	-	-	-	-
As the end of the year	**5.00**	**0.50**	**5.00**	**0.50**

(b) Terms/rights attached to equity shares:

The company has only one class of equity shares having par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

(c) Shares held by holding company

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

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

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

Equity shares of ` 10 each fully paid	Particulars	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
Adani Ports and Special Economic Zone Limited, the holding company and its nominee	No in Lacs	0.50	0.50
	% Holding	100.00%	100.00%

9.2 Equity Component of Perpetual Debt

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
As the beginning of the year	-	-
New Shares Issued during the year	1,45,000.00	-
As the end of the year	**1,45,000.00**	**-**

The Company had issued perpetual non convertible debentures of amounting ` 1,45,000 Lacs to the Holding Company.These securities are perpetual in nature with no fixed maturity or redemption period and are callable only at the option of the Company.These securities are issued with coupon of 7.5% but payable at the option of the Company though in case Company decide to declare dividend, the interest will be paid. As these securities are perpetual in nature and the Company does not have any redemption obligation,these are classified as 'equity'.

10 Other Equity

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
Surplus in the statement of Profit & Loss Account		
Balance as per last financial Statement	(6,367.27)	-
(Loss) for the year / period	(1,611.00)	(6,367.27)
Closing Balance	**(7,978.27)**	**(6,367.27)**

11 Borrowings

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
Non-Current		
Term loans		
Inter Corporate Deposit (refer Note below & 25) (Unsecured)	10,420.16	9,090.00
	10,420.16	**9,090.00**
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	10,420.16	9,090.00
Total borrowings	**10,420.16**	**9,090.00**

Note:

(a) The Inter Corporate Deposits are interest bearing @ 10% per annum. The amounts are borrowed in installments and repayment is based on mutual agreement between the borrower and lender(Holding Company) although loan is repayable in 2018.

Adani Kattupalli Port Private Limited

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

12	Other financial liabilities	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
	Current		
	Interest accrued but not due on borrowings (refer note 25)	413.06	305.16
	Deposits from customers	26.50	10.50
	Capital creditors, retention money and other payable	18.91	-
		458.47	**315.66**

13	Other Liabilities	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
	Current		
	Statutory liability	182.84	449.56
	Advance from customers	131.96	71.13
		314.80	**520.69**

14	Trade payables	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
	Trade payables	2,045.60	2,072.67
		2,045.60	**2,072.67**

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15 Revenue from Operations	**For the year ended March 31, 2017** ` in Lacs	**For the period August 14, 2015 to March 31, 2016** ` in Lacs
Income from Port Terminal Operations (including export incentive)	15,044.10	2,344.07
Other Operating Income	-	37.83
	15,044.10	**2,381.90**

16 Other Income	**For the year ended March 31, 2017** ` in Lacs	**For the period August 14, 2015 to March 31, 2016** ` in Lacs
Interest		
Income Tax Refund	2.16	-
Deposit (including amortisation)	4,258.07	
Scrap Sale	3.07	2.09
Profit on sale of Mutual Fund	22.16	-
Total Other income	**4,285.46**	**2.09**

17 Operating Expenses	**For the year ended March 31, 2017** ` in Lacs	**For the period August 14, 2015 to March 31, 2016** ` in Lacs
Cargo handling /Other charges to sub-contractors	1,940.11	486.21
Tug and Pilotage Charges	569.19	341.68
Maintenance Dredging	550.18	-
Repairs to Plant and Machinery	354.67	38.84
Power and Fuel cost	1,082.84	299.02
Aircraft Operating Expenses	70.41	24.47
	4,567.40	**1,190.22**

18 Finance Costs	**For the year ended March 31, 2017** ` in Lacs	**For the period August 14, 2015 to March 31, 2016** ` in Lacs
Interest on		
Inter Corporate Deposit	458.95	339.07
Bank and other finance charges	1.75	-
	460.70	**339.07**

19 Other Expenses	**For the year ended March 31, 2017** ` in Lacs	**For the period August 14, 2015 to March 31, 2016** ` in Lacs
Rent	22.92	9.19
Rates and Taxes	0.69	0.12
Insurance	379.64	278.41
Other Repairs and Maintenance	33.38	19.31
Legal and Professional Expenses	78.69	18.67
Payment to Auditors (refer note 1 below)	5.11	2.13
Security Expenses	75.15	0.48
Communication Expenses	50.48	3.66
Travelling and Conveyance	140.74	55.47
Directors Sitting Fee	0.78	-
Charity & Donations	0.70	-
Provision for Doubtful debts	4.10	-
Manpower charges to contractors	765.85	385.33
Miscellaneous Expenses	118.94	54.74
	1,677.17	**827.51**

Note: 1

Payment to Auditor	**March 31, 2017** ` in Lacs	**For the period August 14, 2015 to March 31, 2016** ` in Lacs
As Auditor:		
Audit fee	3.00	1.50
Limited review	2.00	0.60
Reimbursement of expenses	0.11	0.03
	5.11	**2.13**

20 **Income Tax**

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

a) **Profit and Loss Section**

	For the year ended March 31, 2017 ` in Lacs	For the period August 14 ,2015 to March 31, 2016 ` in Lacs
Deferred Tax		
Relating to origination and reversal of temporary differences		
Tax Expense reported in the Statement of Profit and Loss	-	-
	-	-

b) **Deferred Tax Liability (net)**

	Balance Sheet as at		Statement of Profit and Loss	
	March 31, 2017 ` In Lacs	March 31, 2016 ` In Lacs	March 31, 2017 ` In Lacs	For the period August 14 ,2015 to March 31, 2016 ` In Lacs
(Liability) on Accelerated depreciation for tax purpose	**2.61**	-	2.61	-
Assets on unabsorbed losses	(2.61)	-	(2.61)	-
	-	-	-	-

Company has carried forward unabsorbed losses aggregating ` 7,978.27 Lacs (Previous Year ` 6,367.27) under the Income Tax Act, which will get expire within 8 years by the financial year 2024-25.

Deferred tax assets has not been recognised in respect of unabsorbed losses aggregating ` 7,975.66 Lacs as they may not be used to offset taxable profits, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the company were able to recognise unrecognised deferred tax assets, the losses will reduce by ` 2,760.38 Lacs.

21 **Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management**

21.1 Category-wise Classification of Financial Instruments:

` in Lacs

Particulars	Refer Note	As at March 31, 2017			
		Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Amortised Cost	Carrying Value
Financial Asset					
Trade receivables	4	-	-	2,074.09	2,074.09
Cash and Cash Equivalents	8	-	-	391.91	391.91
Others financial assets	5	-	-	1,39,615.33	1,39,615.33
Total		-	-	**1,42,081.33**	**1,42,081.33**
Financial Liabilities					
Borrowings	11	-	-	10,420.16	10,420.16
Trade payables	14	-	-	2,045.60	2,045.60
Other financial liabilities	12	-	-	458.47	458.47
Total		-	-	**12,924.23**	**12,924.23**

` in Lacs

Particulars	Refer Note	As at March 31, 2016			
		Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Amortised Cost	Carrying Value
Financial Asset					
Trade receivables	4	-	-	861.03	861.03
Cash and Cash Equivalents	8	-	-	1,319.39	1,319.39
Total		-	-	**2,180.42**	**2,180.42**
Financial Liabilities					
Borrowings	11	-	-	9,090.00	9,090.00
Trade payables	14	-	-	2,072.67	2,072.67
Other financial liabilities	12	-	-	315.66	315.66
Total		-	-	**11,478.33**	**11,478.33**

21.2 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.

21.3 Financial Risk objective and policies :

The Company's principal financial liabilities, comprise loans and borrowings, perpetual debt, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and acquisition of port asset. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. In the ordinary course of business, the Company is mainly exposed to risks resulting from interest rate movement.

The Company's risk management activities are subject to the management, direction and control of Central Treasury Team of Adani Ports Special Economic Zone Limited (APSEZL), the Holding 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 APSEZL 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.

(A) Market 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 debt obligations with interest rates linked to general borrowing rate and period of borrowings. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. Currently, inter corporate deposit is of fixed rate of interest. The Company has issued Perpetual Debt to APSEZL with no obligation to redeem the debt.

(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 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. The calculation is based on exchange losses historical data.

Credit risk from balances with banks is managed by the Holding 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 Board of Directors. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Presently, Company does not have significant concentration of credit risk.

(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 and from the Holding Company to ensure that there is sufficient cash to meet all its normal operating and strategic commitments in a timely and cost-effective manner.

i) Maturities of financial liabilities

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

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

` in Lacs

Contractual maturities of financial liabilities as at March 31, 2017	Total Book Value	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year
Borrowings	10,420.16	-	10,420.16	-	-
Trade Payables	2,045.60	2,045.60	-	-	-
Other Financial Liabilities	458.47	458.47	-	-	-
Total		**2,504.07**	**10,420.16**	-	-

Contractual maturities of financial liabilities as at March 31, 2016	Total Book Value	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year
Borrowings	9,090.00	-	9,090.00	-	-
Trade Payables	2,072.67	2,072.67	-	-	-
Other Financial Liabilities	315.66	315.66	-	-	-
Total		**2,388.33**	**9,090.00**	-	-

21.4 Capital management :

For the purposes of the company's capital management, capital includes issued capital, perpetual debt (equity in nature) and all other equity reserves. The primary objective of the company's capital management is to maximize shareholder value keeping long term and short term goal of the Company. The company manages its capital structure and makes adjustments on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans.

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

Particulars	March 31, 2017	March 31, 2016
Total Borrowings (refer note 11)	10,420.16	9,090.00
Less: Cash and bank balance (refer note 8)	391.91	1,319.39
Net Debt (A)	**10,028.25**	**7,770.61**
Total Equity (B)	**1,37,026.73**	**(6,362.27)**
Total Equity and Net Debt (C = A + B)	**1,47,054.98**	**1,408.34**
Gearing ratio	7.09%	645.44%

22 Fair Value hierarchy :

` in Lacs

Particulars	As at March 31, 2017			
	Level 1	Level 2	Level 3	Total
Assets				
Security deposit	-	1,38,694.08	-	1,38,694.08
Total	**-**	**1,38,694.08**	**-**	**1,38,694.08**

23 Earnings per Share

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
(Loss) attributable to equity shareholders of the company	(1,611.00)	(6,367.27)
Weighted average number of equity shares	5.00	5.00
Basic and Diluted earning per share (in `)	(322.20)	(1,273.45)

24 Capital Commitments & Other Commitment

` 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	85.93	-

Other Commitment

On November 9, 2015, the Company has entered into an in-principle agreement for the strategic acquisition of the port business at Kattupalli Port of L&T Shipbuilding Limited ("LTSB"), a subsidiary of Larsen & Toubro Limited (the "Implementation Agreement"). Kattupalli Port is a Non-major port situated at Kattupalli village, Ponneri Taluk, Tiruvallur, Tamilnadu. As at year ended March 31, 2017 approvals from the NCLT, Chennai and the Tamilnadu Maritime Board ("TNMB") for the resultant business structuring of L&T Shipbuilding Limited has been received - the Company to whom the Port business shall be transferred, the acquisition remains subject to, among other things, completion of the conditions stipulated in the Implementation Agreement, to enable the acquisition of the Port business and payment of the total consideration. The expiry date of the Implementation Agreement has been extended until June 30, 2017. The Company has paid refundable and interest free deposit of an amount of ` 1,45,000 lacs to LTSB to secure its obligation to make payment of total consideration as per the agreement.

While awaiting completion of these conditions, Company is a interim operator of Kattupalli Port under the Implementation Agreement and will remain interim operator until the completion of the acquisition under the Implementation Agreement.

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25 Related Party Disclosures

The management has identified the following entities as related parties of the Company.

Holding Company	Adani Ports and Special Economic Zone Ltd.
Key Managerial Personnel	Mr. Ravi Bhamidipaty - Director (w.e.f. 28.10.2015)
	Mr. Ennarasu Karunesan - Director (w.e.f. 24.08.2016)
	Mr. Sarthak Behuria - Director (w.e.f. 06.04.2016)

Terms and conditions of transactions with related parties

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.

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.

(` In Lacs)

Transaction/Category	Related Party	March 31,2017	March 31,2016
Issue of Share Capital	Adani Ports and Special Economic Zone Ltd.	-	5.00
Interest Expense	Adani Ports and Special Economic Zone Ltd.	458.95	339.07
Issue of perpetual debt	Adani Ports and Special Economic Zone Ltd.	1,45,000.00	-
Borrowings (Loan taken)	Adani Ports and Special Economic Zone Ltd.	13,525.00	9,090.00
Borrowings (Loan repaid)	Adani Ports and Special Economic Zone Ltd.	12,194.84	-
Sitting Fees	Mr. Sanjay Majmudar	0.39	-
	Dr. Chitra Bhatnagar	0.39	-

Closing Balance			
Interest accrued and but not due	Adani Ports and Special Economic Zone Ltd.	413.00	305.16
		413.00	**305.16**
Perpetual debt	Adani Ports and Special Economic Zone Ltd.	1,45,000.00	-
		1,45,000.00	**-**
Borrowings - Inter Corporate Deposit	Adani Ports and Special Economic Zone Ltd.	10,420.22	9,090.00
		10,420.22	**9,090.00**

26 First-time adoption of Ind-AS

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. These note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, the Company's date of transition to Ind AS and financial statements as at and for the year ended March 31, 2016.

26.1 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. August 14, 2015 :

(a) Estimates :

'The estimates at August 14, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:
> Impairment of financial assets based on the risk exposure and application of ECL model
The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at August 14, 2015, the date of transition to Ind AS and as of March 31, 2016.

(b) 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.

26.2 The Company's management had previously issued its audited financial results for the period ended March 31, 2016 on April 28, 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/(loss) as reported under the Previous GAAP to those computed as per Ind AS and the same is given in note no. 26.4 and 26.5.1 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. 26.3 and 26.5.2 below.

26.3 Reconciliation of equity as at March 31 , 2016

` in Lacs

	March 31, 2016 (Last period presented under IGAAP)		
	IGAAP	**Adjustments**	**Ind AS**
Assets			
Non-Current Assets			
Other Non-Current Assets	19.70	-	19.70
	19.70	**-**	**19.70**
Current Assets			
Financial Assets			
Trade Receivables	861.03	-	861.03
Cash and Cash Equivalents	1,319.39	-	1,319.39
Other Current Assets	3,436.63	-	3,436.63
	5,617.05	**-**	**5,617.05**
Total Assets	**5,636.75**	**-**	**5,636.75**
Equity and Liabilities			
Equity			
Equity Share Capital	5.00	-	5.00
Other Equity	(6,367.27)	-	(6,367.27)
Total Equity	**(6,362.27)**	**-**	**(6,362.27)**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	9,090.00	-	9,090.00
	9,090.00	**-**	**9,090.00**
Current Liabilities			
Financial Liabilities			
Trade Payables	2,072.67	-	2,072.67
Other Financial Liabilities	315.66	-	315.66
Other Current Liabilities	520.69	-	520.69
	2,909.02	**-**	**2,909.02**
Total Liabilities	**11,999.02**	**-**	**11,999.02**
Total Equity and Liabilities	**5,636.75**	**-**	**5,636.75**

26.4 Reconciliation of Statement of Profit and Loss for the period August 14, 2015 to March 16, 2016

` in Lacs

	IGAAP	Adjustments	Ind AS
INCOME			
Revenue from Operations	2,381.90	-	2,381.90
Other Income	2.09	-	2.09
Total Income	**2,383.99**	**-**	**2,383.99**
Expenses			
Operating Expenses	1,190.22	-	1,190.22
Port Management Fees to Lessor	6,394.13		6,394.13
Finance Costs	339.07	-	339.07
Other Expenses	827.84	-	827.84
Total Expenses	**8,751.26**	**-**	**8,751.26**
(Loss) Before Tax	**(6,367.27)**	**-**	**(6,367.27)**
Tax Expense	-	-	-
(Loss) for the period	**(6,367.27)**	**-**	**(6,367.27)**
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the period	**(6,367.27)**	**-**	**(6,367.27)**

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

26.5.1 Reconciliation of Total Comprehensive Income:-

Sr No	Nature of Adjustments	Year Ended March 31, 2016 ` in Lacs
	Net (Loss) as per previous GAAP	(6,367.27)
	Net (Loss) before OCI as per Ind AS	**(6,367.27)**
	Other Comprehensive Income (net of tax)	-
	Total Comprehensive Income as per Ind AS	**(6,367.27)**

26.5.2 Reconciliation of Equity:-

Sr No	Nature of Adjustments	As at March 31, 2016 ` in Lacs
	Equity as per Previous GAAP	(6,362.27)
	Total adjustments	**-**
	Equity as per Ind AS	**(6,362.27)**

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

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

27 Contingent Liabilities not provided for

Based on the information available with the Company, there is nil contingent liability at the period ended March 31, 2017.

28 Insurance Receivable

The company has recognised the insurance claim receivable of ` 921.25 Lacs to the extent of actual expenditure incurred to restore/repair the damage of port assets caused by 'Vardah' cyclone on December 12, 2016 at coast of Tamilnadu.The claim amount has been recognised actual based on preliminary estimate made by surveyor. The company believe that the amount recognised is fully realisable as the expected amount of cost to restore/repair the damage is much higher.

29 Segment Information

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

30 Employee Benefits

The Company does not have any employee. The management and administrative functions of the Company are being managed by the holding Company, Adani Ports and Special Economic Zone Limited and for operational business functions, the Company has availed services from L&T Shipbuilding Limited (LTSB) to carry all the port operations activities.The charges are debited as Other Expenses.

31 Disclosure on specified bank note

Schedule III of the Companies Act, 2013 was amended by Ministry of Corporate Affairs vide Notification G.S.R. 308(E) dated 30th March, 2017. The said amendment requires the Company to disclose the details of Specified Bank Notes held and transacted during the period from 8th November, 2016 to 30th December, 2016. For the purpose of this clause, the term 'Specific Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8th November, 2016. Details of Specified Bank Notes held and transacted by Company during the period from 8th November, 2016 to 30th December, 2016 are as follows:

Particulars	SBN	Other	Total
Closing cash balance in hand as on November 08, 2016	53,000	237	53,237
Permitted receipt	-	1,43,953	1,43,953
Permitted payment	-	-	-
Amount deposited in Banks	53,000	1,44,190	1,97,190
Closing cash balance in hand as on December 30, 2016	-	-	-

32 As per the information available with the company there are no supplier being covered under the Micro, Small and Medium Enterprises Development Act 2006. Accordingly no information is required to be reported in the financials.

33 Standard issued but not 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.

The Company is assessing the potential effect of the amendments on its financial statements. The Company will adopt these amendments from their applicability date.

34 Events occurring after the Balance sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approved 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 04, 2017, there were no subsequent events to be recognized or reported that are not already disclosed.

35 The Company was incorporated on August 14, 2015, whereby the current year's statement of profit and loss is for 12 months period which is not comparable with previous period's statement of profit and loss for 7 months and 17 days.

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

per Santosh Aggarwal
Partner
Membership No. 93669

Place: Ahmedabad
Date: May 04, 2017

For and on behalf of Board of Directors

Karan Adani
[Director]
DIN: 03088095

Sandeep Mehta
[Director]
DIN: 00897409

Place: Ahmedabad
Date: May 04, 2017