

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members  
**Adani Murmugao Port Terminal Private Limited.**

### **Report on the Ind AS Financial Statements**

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

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone 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 there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the

auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS, of the state of affairs(financial position) of the Company as at 31<sup>st</sup> March, 2017, and its profit/loss (including financial performance 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 – A", a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone 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.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

- 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 our best of our information and according to the explanations given to us :
- i. the Company does not have any pending litigations as on the balance sheet date which would impact its financial position;
  - ii. the Company did not have any long-term contracts including derivatives 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 disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 35 to the standalone Ind AS financial statements.

**FOR G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]

*Chartered Accountants*

Place : Ahmedabad  
Date : April 29, 2017

**SANDIP PARIKH**

*Partner*

Mem. No. 040727

## **ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in our Report of even date to Adani Murmugao Port Terminal Private Limited)

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31<sup>st</sup> March, 2017, we report that:

(i) In respect of Fixed Assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of its fixed assets.
- (b) Fixed assets have been physically verified by the management at reasonable intervals which in our opinion is reasonable having regard to size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

a) (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property are held in the name of the Company

(ii) In respect of Inventories

According to information and explanation given to us, the Management of the Company has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed on physical verification during the year.

(iii) The Company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013

(iv) In our opinion and according to information and explanations given to us, the Company has not made any loan, investment, guarantees or security and therefore the provisions of Clause 3(iv) of the Order is not applicable to the Company

(v) The Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.

(vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, employee state insurance, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees state insurance and duty of excise and custom.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of custom employee state insurance, service tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.

- (b) According to information and explanations given to us, the Company has no disputed outstanding statutory dues as at 31<sup>st</sup> March, 2017.
- (viii) The Company has not defaulted in the repayment of loans and borrowings to financial institutions, banks, government or dues to debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid any Managerial Remuneration as per the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to information and explanations given to us, and based on our examination of the records of the Company 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 therefore, the requirement of reporting under this clause is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore, requirement of reporting under this clause is not applicable.

**FOR G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]

*Chartered Accountants*

Place : Ahmedabad

Date : April 29, 2017

**SANDIP PARIKH**

*Partner*

Mem. No. 040727

**Annexure - B to the Independent Auditors' Report of even date on the Financial Statements of Adani Murmugao Port Terminal Private Limited**

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

We have audited the internal financial controls over financial reporting of **Adani Murmugao Port Terminal Private Limited** ("the Company") as of 31<sup>st</sup> March, 2017 in conjunction with our audit of standalone Ind AS 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

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

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

## **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]

*Chartered Accountants*

Place : Ahmedabad

Date : April 29, 2017

**SANDIP PARIKH**

*Partner*

Mem. No. 040727



**Adani Murmugao Port Terminal Private Limited**  
**Balance Sheet as at March 31, 2017**

Particulars	Notes	₹ in Lacs		
		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, plant and equipment	4	310.42	412.35	491.62
(b) Capital work-in-progress	4	17.93	-	-
(c) Other intangible assets	4	39,744.26	41,702.31	43,599.78
(d) Financial assets				
(i) Other financial assets	6	23.21	21.42	18.12
(e) Other non-current assets	7	1,510.36	1,496.11	2,011.39
<b>Total non-current assets</b>		<b>41,606.18</b>	<b>43,632.19</b>	<b>46,120.91</b>
<b>2 Current assets</b>				
(a) Inventories	8	746.55	348.46	24.94
(b) Financial assets				
(i) Trade receivables	5	1,178.96	1,059.24	377.65
(ii) Cash and Cash Equivalents	9	184.69	196.49	205.59
(iii) Bank balance other than cash and cash equivalents	10	-	-	1,908.25
(iv) Other financial assets	6	6.31	9.97	5.68
(c) Other current assets	7	2,308.62	2,137.63	1,910.60
<b>Total current assets</b>		<b>4,425.13</b>	<b>3,751.79</b>	<b>4,432.71</b>
<b>Total Assets</b>		<b>46,031.31</b>	<b>47,383.98</b>	<b>50,553.62</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1 EQUITY</b>				
(a) Equity share capital	11	11,588.85	11,588.85	11,588.85
(b) Other equity	12	(8,666.81)	(7,879.95)	147.87
<b>Total equity</b>		<b>2,922.04</b>	<b>3,708.90</b>	<b>11,736.72</b>
<b>LIABILITIES</b>				
<b>2 Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	13	39,598.33	40,738.00	28,817.79
(b) Provisions	15	50.38	49.34	35.42
(c) Other non-current liabilities	16	398.45	433.59	480.58
<b>Total non-current liabilities</b>		<b>40,047.16</b>	<b>41,220.93</b>	<b>29,333.79</b>
<b>3 Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	13	1,536.60	-	4,105.00
(ii) Trade payables	17	474.58	460.42	405.38
(iii) Other financial liabilities	14	863.85	1,879.63	4,795.45
(b) Other current liabilities	16	179.84	106.85	170.67
(c) Provisions	15	7.24	7.25	6.61
<b>Total current liabilities</b>		<b>3,062.11</b>	<b>2,454.15</b>	<b>9,483.11</b>
<b>Total liabilities</b>		<b>43,109.27</b>	<b>43,675.08</b>	<b>38,816.90</b>
<b>Total equity and liabilities</b>		<b>46,031.31</b>	<b>47,383.98</b>	<b>50,553.62</b>
<b>Summary of Significant accounting policies</b>	2.1			

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

**For G.K.CHOKSI & CO.**  
**ICAI Firm Registration No.: 101895W**  
**Chartered Accountants**

**For and on behalf of Board of Directors of**  
**Adani Murmugao Port Terminal Private Limited**

**Sandip A. Parikh**  
Partner  
Membership No. 40727

**G.J.Rao**  
Managing Director  
DIN: 01724002

**Subrat Tripathy**  
Director  
DIN : 06890393

**Haresh Bhuvra**  
Company Secretary

**B.Ravi**  
Chief Financial Officer

**Place: Ahmedabad**  
**Date: April 29, 2017**

**Place: Ahmedabad**  
**Date: April 29, 2017**

**Adani Murmugao Port Terminal Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2017**

Particulars	Notes	₹ In Lacs	
		March 31, 2017	March 31, 2016
<b>REVENUE</b>			
Revenue from operations	18	5,905.23	4,892.66
Other income	19	240.55	91.10
<b>Total Revenue</b>		<b>6,145.78</b>	<b>4,983.76</b>
<b>EXPENSES</b>			
Operating expenses	20	2,644.82	2,258.30
Employee benefits expense	21	383.70	361.00
Depreciation and amortization expense	4	2,686.44	2,640.29
Finance costs	22	100.38	3,684.00
Fair value adjustment of financial liability (refer note 32)	32	-	3,046.59
Other expenses	23	1,115.86	1,019.82
<b>Total expense</b>		<b>6,931.20</b>	<b>13,010.00</b>
<b>(Loss) before exceptional items and tax</b>		<b>(785.42)</b>	<b>(8,026.24)</b>
Exceptional items		-	-
<b>(Loss) before tax</b>		<b>(785.42)</b>	<b>(8,026.24)</b>
<b>Tax expense:</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>Income tax expense</b>		<b>-</b>	<b>-</b>
<b>(Loss) for the year</b>		<b>(785.42)</b>	<b>(8,026.24)</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>			
Re-measurement gains (losses) on defined benefit plans		(1.44)	(1.58)
		(1.44)	(1.58)
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>			
		-	-
<b>Other comprehensive income for the year</b>		<b>(1.44)</b>	<b>(1.58)</b>
<b>Total comprehensive income for the year</b>		<b>(786.86)</b>	<b>(8,027.82)</b>
<b>Basic and diluted earnings per equity shares (in ₹) face value of ₹ 10 each</b>	27	<b>(0.68)</b>	<b>(6.93)</b>
<b>Summary of Significant accounting policies</b>	2.1		

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

For G.K.CHOKSI & CO.  
ICAI Firm Registration No.: 101895W  
Chartered Accountants

For and on behalf of Board of Directors of  
Adani Murmugao Port Terminal Private Limited

**Sandip A. Parikh**  
Partner  
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**G.J.Rao**  
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Company Secretary

**B.Ravi**  
Chief Financial Officer

Place: Ahmedabad  
Date: April 29, 2017

Place: Ahmedabad  
Date: April 29, 2017

**Adani Murmugao Port Terminal Private Limited**  
**Statement of Changes in Equity for the year ended March 31, 2017**

₹ in Lacs

Particulars	Equity Share Capital	Other Equity		Total
		Reserves and Surplus	Item of OCI	
		Retained Earning	FVTOCI Reserve	
<b>As at on April 01, 2016</b>	<b>11,588.85</b>	<b>(7,879.95)</b>	<b>-</b>	<b>3,708.90</b>
(Loss) for the year	-	(785.42)	-	(785.42)
Other Comprehensive Income	-	(1.44)	-	(1.44)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>(786.86)</b>	<b>-</b>	<b>(786.86)</b>
<b>As at on March 31, 2017</b>	<b>11,588.85</b>	<b>(8,666.81)</b>	<b>-</b>	<b>2,922.04</b>

For G.K.CHOKSI & CO.  
 ICAI Firm Registration No.: 101895W  
 Chartered Accountants

For and on behalf of Board of Directors of  
 Adani Murmugao Port Terminal Private Limited

**Sandip A. Parikh**  
 Partner  
 Membership No. 40727

**G.J.Rao**  
 Managing Director  
 DIN: 01724002

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 Company Secretary

**B.Ravi**  
 Chief Financial Officer

Place: Ahmedabad  
 Date: April 29, 2017

Place: Ahmedabad  
 Date: April 29, 2017

**Adani Murmugao Port Terminal Private Limited**  
**Statement of Changes in Equity for the year ended March 31, 2016**

₹ in Lacs

Particulars	Equity Share Capital	Other Equity		Total
		Reserves and Surplus	Item of OCI	
		Retained Earning	FVTOCI Reserve	
<b>Balance as on April 01, 2015</b>	<b>11,588.85</b>	<b>147.87</b>	<b>-</b>	<b>11,736.72</b>
(Loss) for the year		(8,026.24)		(8,026.24)
Other Comprehensive Income		(1.58)	-	(1.58)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>(8,027.82)</b>	<b>-</b>	<b>(8,027.82)</b>
<b>Balance as on March 31, 2016</b>	<b>11,588.85</b>	<b>(7,879.95)</b>	<b>-</b>	<b>3,708.90</b>

For G.K.CHOKSI & CO.  
ICAI Firm Registration No.: 101895W  
Chartered Accountants

For and on behalf of Board of Directors of  
Adani Murmugao Port Terminal Private Limited

Sandip A. Parikh  
Partner  
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B.Ravi  
Chief Financial Officer

Place: Ahmedabad  
Date: April 29, 2017

Place: Ahmedabad  
Date: April 29, 2017

**Adani Murmugao Port Terminal Private Limited**  
**Statement of Cash Flows for the year ended March 31, 2017**

₹ in Lacs

Particulars	Notes	March 31, 2017	March 31, 2016
<b>Cash flow from operating activities</b>			
<b>(Loss) before tax as per statement of profit and loss</b>		(785.42)	(8,026.24)
Adjustments for:			
Excess provision written back		(158.98)	(35.02)
Depreciation and amortisation		2,686.44	2,640.29
Interest income		(13.63)	(17.40)
Interest expense		77.85	3,645.22
Fair value adjustment of financial liability			3,046.59
<b>Operating profit before working capital changes</b>		<b>1,806.26</b>	<b>(1,793.15)</b>
<b>Movements in working capital :</b>			
(Increase) in trade receivables		(119.72)	(681.59)
(Increase) in inventories		(398.09)	(322.28)
Decrease/(Increase) in financial assets		1.87	(7.59)
(Increase)/Decrease in other assets		(170.99)	193.58
Increase in trade payables		14.16	55.04
Increase/(Decrease) in other liabilities		197.86	(61.23)
Cash generated from operations		<b>1,331.35</b>	<b>(2,617.22)</b>
Direct taxes paid (net)		(24.02)	(22.99)
<b>Net cash flow from/(used in) operating activities (A)</b>		<b>1,307.33</b>	<b>(2,640.21)</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed assets (Including capital work In progress and capital advances)		(755.00)	(1,408.60)
Interest received		13.63	17.40
Deposit/realisation of margin money		-	1,908.25
<b>Net cash inflow from/(used in) investing activities (B)</b>		<b>(741.37)</b>	<b>517.05</b>
<b>Cash flows from financing activities</b>			
Proceeds long-term borrowing		37,500.00	-
Repayment of long-term borrowings		-	(11,754.79)
Proceeds from inter corporate deposit (including short-term)		2,173.17	19,463.00
Repayment of inter corporate deposit (including short-term)		(38,736.56)	(3,455.50)
Interest paid		(1,514.36)	(2,138.65)
<b>Net cash flow from/(used in) financing activities (C)</b>		<b>(577.76)</b>	<b>2,114.06</b>
<b>Net (decrease) in cash &amp; cash equivalents (A + B + C)</b>		<b>(11.80)</b>	<b>(9.10)</b>
Cash & cash equivalents at the beginning of the year		196.49	205.59
<b>Cash &amp; cash equivalents at the end of the year (Refer note-9)</b>		<b>184.69</b>	<b>196.49</b>

**Notes:**

Component of Cash and Cash equivalents

Cash on hand

Balances with scheduled bank

On current accounts

**Total cash and cash equivalents**

	-	-
	184.69	196.49
	<b>184.69</b>	<b>196.49</b>

The accompanying note are an integral part of the financial statements

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

As per our report of even date

**For G.K.CHOKSI & CO.**  
ICAI Firm Registration No.: 101895W  
Chartered Accountants

**For and on behalf of Board of Directors of**  
**Adani Murmugao Port Terminal Private Limited**

**Sandip A. Parikh**  
Partner  
Membership No. 40727

**G.J.Rao**  
Managing Director  
DIN: 01724002

**Subrat Tripathy**  
Director  
DIN : 06890393

**Haresh Bhuva**  
Company Secretary

**B.Ravi**  
Chief Financial Officer

Place: Ahmedabad  
Date: April 29, 2017

Place: Ahmedabad  
Date: April 29, 2017

**1 Corporate information**

Adani Mormugao Port Terminal Private Limited (hereinafter referred to as 'The Company') has signed an agreement on September 22, 2009 with Mormugao Port Trust to Design, Build, Finance, Operate and Transfer a Coal handling terminal at Berth No. 7 at the Port of Mormugao, Goa on Build, Own, Operate and Transfer (BOOT) for a period of Thirty Years.

**2 Basis of preparation**

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended March, 31 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 Note 3.1 for information on how the Company has adopted Ind AS.)

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note 3.3 and 3.4

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

The financial statements are presented in Indian rupees ( INR) and all values are rounded to the nearest lacs, except otherwise indicated.

**2.1 Summary of significant accounting policies**

**a) Current versus non-current classification**

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current

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**

Stores and Spares:

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

**c) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash on hand and demand deposit with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**d) Property, plant and equipment (PPE)**

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

Property, plant and equipment (including capital work in progress) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the company derecognises replaced part, and recognises the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for the provision are met.

Depreciation is calculated on a straight-line basis using the rates arrived based on the useful lives estimated by the management. over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013.

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 are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of the assets can be measured reliably.

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

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

**Adani Murmugao Port Terminal Private Limited**  
**Notes to Financial statements for the year ended March 31, 2017**

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

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

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

Intangible assets	Estimated Useful Life
Software	5 Years

**Port concession rights arising from Service Concession**

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

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

Any asset carried under concession arrangement is derecognised on disposal or when no future economic benefits are expected from its future use or disposal. Gains or losses arising from de-recognition of port concession rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised.

**f) Impairment of non-financial assets**

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

**Recoverable amount is determined:**

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

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 cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

Impairment losses of continuing operations, including impairment on inventories, are recognized in profit and loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to Other Comprehensive Income (the 'OCI'). For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

**g) 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.

**(i) Rendering of services**

Revenue from rendering of service is recognised as per the terms of contract with customers based on the stage of completion when the outcome of the transactions involving rendering of service can be estimated reliably. Percentage completion method requires the company to estimate the service

**(ii) Service concession arrangements (Ind AS 11)**

Revenues relating to construction contracts which are entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date.

**(iii) Contract revenue**

Revenue from construction contracts is recognized on a percentage completion method, in proportion that the contract costs incurred for work performed up to the reporting date stand to the estimated total contract costs indicating the stage of completion of the project. Contract revenue earned in excess of billing has been reflected under the head "Other Current Assets" and billing in excess of contract revenue has been reflected under the head "Other Current Liabilities" in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen and cost incurred towards future contract activity is classified as project work in progress.

**(iv) Interest income**

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where applicable, to the net carrying amount of the financial asset. Interest income is included under the head 'Other income' in the statement of profit and loss.

**(v) Income from SEIS/SFIS**

Income from Services Exports from India Scheme ('SEIS') incentives under Government's Foreign Trade Policy 2015-20 and Served from India Scheme ('SFIS') on some of the port services income are recognised as 'Income from Port Operations' 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'

**h) Foreign currency transactions**

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

**i) Transactions and balances**

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

**ii) Conversion**

Monetary items denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items which are carried at historical cost denominated in foreign currency are reported using exchange rate at the date of transaction. Non-monetary items which are measured at fair value denominated in foreign currency are translated using exchange rate at the date when fair value is determined.

iii) **Exchange differences**

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (i.e. translation differences on items whose gain or loss is recognised in other comprehensive income or the statement of profit and loss is also recognised in other comprehensive income or the statement of profit and loss respectively).

i) **Employees benefits**

All employee benefits payable wholly within 12 months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

**Provident fund**

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

**Gratuity fund**

The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

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

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

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

**Compensated absences**

Provision for compensated absence is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits.

Termination Benefits, if any, are recognised as an expense as and when incurred.

j) **Borrowing Costs**

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

k) **Segment Reporting**

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

In accordance with the Ind-As 108 - "Operating Segments", the company has determined its business segment as port services. Since there are no other business segments in which the company operates, there are no reportable segments. Therefore, the segment revenue, results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statement.

i) **Leases**

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

For arrangements entered into prior to the date of transition the company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

**The Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease. Assets acquired on leases where substantial risks and rewards incidental to ownership are not transferred to the company are classified as operating leases.

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

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

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term after considering effects of escalation except where escalation of lease rental is in line with expected inflationary cost.

**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.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.



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

**m) Earnings per share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**n) Government grants**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

**o) Taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 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. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**p) Provisions, contingent liabilities, contingent assets and commitments**

**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. When the company expects some or all of the provisions to be reimbursed, for example, under an Insurance contract, the reimbursement is recognised as separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

**Contingent liabilities**

Contingent liabilities is disclosed in the case of :

- a present obligation arising from past events, when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.
- a present obligation arising from past events, when no reliable estimate can be made.
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments includes the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date

**q) Fair value measurement**

The Company measures financial instruments, such as, derivatives and certain investments 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participants that would use the asset in its highest and best use.

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

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

- > Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- > Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- > Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

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

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

## Adani Murmugao Port Terminal Private Limited

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

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.

#### r) 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. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

#### i) Financial assets

##### Initial recognition and measurement

All financial assets, except trade receivables, investment in subsidiaries, associates and joint ventures, are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

##### Subsequent measurement

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

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

##### Debt instruments at amortised cost

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

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

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

##### Debt instrument at FVTOCI

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Debt instrument at FVTPL

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

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

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

##### Equity instrument at FVTOCI

All equity instruments are subsequently measured at fair value in the balance sheet, with value changes recognised in statement of profit and loss, except for those equity instruments for which the company has elected to present value changes in " other comprehensive income". If an equity instrument is not held for trading, the company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income.

##### 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) Financial assets that are debt instruments and are measured as at other comprehensive income (FVTOCI)
- c) Lease receivables under Ind AS 17
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

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

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk after 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 in the statement of profit and loss (P&L). This amount is reflected under the head " Other Expense" in the P&L.

**ii) Financial liabilities**

**Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**Subsequent measurement**

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

**Financial liabilities at fair value through profit or loss**

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

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

**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.

**Adani Murmugao Port Terminal Private Limited**  
**Explanatory Notes to Financials statements for the year ended March 31, 2017**

**3 Explanatory Notes**

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

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

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

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

- (a) The Company has elected to avail exemption under Ind AS 101 to use Indian GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment and intangible assets as per the statement of financial position prepared in accordance with previous GAAP.
- (b) Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.
- (c) Estimates :  
'The estimates at April 01, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:
  - > FVTOCI – unquoted equity shares
  - > Impairment of financial assets based on the risk exposure and application of ECL modelThe estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2015, the date of transition to Ind AS and as of March 31, 2016.

**3.2 Accounting Treatment under Appendix A of Ind AS 11 - Service Concession Arrangement**

Infrastructure within the scope of this Appendix shall not be recognised as property, plant and equipment of the operator because the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the operator. The operator has access to operate the infrastructure to provide the public service on behalf of the grantor in accordance with the terms specified in the contract.

As per Appendix A of Ind AS 11, the tangible and intangible assets of the company ( recognised under IGAAP) used for this arrangement has been de-recognised and intangible asset has been created since the consideration for the service is not fixed and is to be recovered from the public based on actual usage. Intangible asset created on account of service concession arrangement is amortised in P&L based on the lower of their useful lives or concession period.

**3.3 Significant accounting estimates and assumptions**

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

**Estimates and assumptions**

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

**Depreciation**

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

**Taxes**

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Defined benefit plans (gratuity benefits)**

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

**Fair value measurement of financial instruments**

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

**Adani Murmugao Port Terminal Private Limited**  
**Explanatory Notes to Financials statements for the year ended March 31, 2017**

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

₹ In Lacs

	Foot- notes	March 31, 2016 (Last period presented under IGAAP)			April 01, 2015 (Date of transition)		
		IGAAP	Adjustments	Ind AS	IGAAP	Adjustments	Ind AS
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	(d)	41,416.90	(41,004.55)	412.35	43,029.47	(42,537.85)	491.62
Capital work-in-progress	(d)	142.55	(142.55)	-	482.90	(482.90)	-
Other Intangible assets	(d)	86.47	41,615.84	41,702.31	75.16	43,524.62	43,599.78
Other financial assets	(c)	151.64	(130.22)	21.42	150.01	(131.89)	18.12
Other non-current assets		1,496.11	-	1,496.11	2,011.39	-	2,011.39
Deferred tax assets (net)		-	-	-	-	-	-
		<b>43,293.67</b>	<b>338.52</b>	<b>43,632.19</b>	<b>45,748.93</b>	<b>371.98</b>	<b>46,120.91</b>
<b>Current assets</b>							
Inventories		348.46	-	348.46	24.94	-	24.94
Financial assets							
Trade receivables		1,059.24	-	1,059.24	377.65	-	377.65
Cash and Cash Equivalents		196.49	-	196.49	205.59	-	205.59
Bank balance other than cash and cash equivalents		-	-	-	1,908.25	-	1,908.25
Others current financial assets		9.97	-	9.97	5.68	-	5.68
Other current assets	(c)	2,017.60	120.03	2,137.63	1,785.42	125.18	1,910.60
		<b>3,631.76</b>	<b>120.03</b>	<b>3,751.79</b>	<b>4,307.53</b>	<b>125.18</b>	<b>4,432.71</b>
<b>Total Assets</b>		<b>46,925.43</b>	<b>458.55</b>	<b>47,383.98</b>	<b>50,056.46</b>	<b>497.16</b>	<b>50,553.62</b>
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
Equity share capital		11,588.85	-	11,588.85	11,588.85	-	11,588.85
Other equity							
Retained earnings	(a,b,c)	(7,869.81)	(10.14)	(7,879.95)	(2,892.05)	3,040.05	147.87
<b>Total Equity</b>		<b>3,719.04</b>	<b>(10.14)</b>	<b>3,708.90</b>	<b>8,696.80</b>	<b>3,040.05</b>	<b>11,736.72</b>
<b>LIABILITIES</b>							
<b>Non-current liabilities</b>							
Financial liabilities							
Borrowings	(e)	40,738.00	-	40,738.00	31,864.57	(3,046.78)	28,817.79
Other financial liabilities		-	-	-	-	-	-
Provisions		49.34	-	49.34	35.42	-	35.42
Deferred tax liabilities (net)		-	-	-	-	-	-
Other non-current liabilities	(a)	-	433.59	433.59	(0.00)	480.59	480.58
		<b>40,787.34</b>	<b>433.59</b>	<b>41,220.93</b>	<b>31,899.99</b>	<b>(2,566.20)</b>	<b>29,333.79</b>
<b>Current liabilities</b>							
Financial liabilities							
Borrowings		-	-	-	4,105.00	-	4,105.00
Bill discounting with banks		-	-	-	-	-	-
Trade payables		460.42	-	460.42	405.38	-	405.38
Other current financial liabilities		1,879.63	-	1,879.63	4,795.45	-	4,795.45
Other current liabilities	(b)	71.75	35.10	106.85	147.37	23.30	170.67
Net employee defined benefit liabilities		7.25	-	7.25	6.61	-	6.61
Liabilities for current tax (net)		-	-	-	-	-	-
Other Provisions		-	-	-	-	-	-
		<b>2,419.05</b>	<b>35.10</b>	<b>2,454.15</b>	<b>9,459.81</b>	<b>23.30</b>	<b>9,483.11</b>
<b>Total liabilities</b>		<b>43,206.39</b>	<b>468.69</b>	<b>43,675.08</b>	<b>41,359.79</b>	<b>(2,542.90)</b>	<b>38,816.90</b>
<b>Total Equity and Liabilities</b>		<b>46,925.43</b>	<b>458.55</b>	<b>47,383.98</b>	<b>50,056.59</b>	<b>497.16</b>	<b>50,553.62</b>

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

		₹ In Lacs		
	Foot-note	IGAAP	Adjustments	Ind AS
<b>INCOME</b>				
Rendering of services		4,892.66	-	4,892.66
Other income	(a,c)	54.31	36.79	91.10
<b>Total Income</b>		<b>4,946.97</b>	<b>36.79</b>	<b>4,983.76</b>
<b>EXPENSES</b>				
Operating expenses		2,258.30	-	2,258.30
Employee benefits expense	(b)	362.59	(1.58)	361.01
Depreciation and amortization expense	(a)	2,605.14	35.14	2,640.28
Finance costs		3,678.88	5.12	3,684.00
Fair value adjustment of financial liability	(e)	-	3,046.59	3,046.59
Other expenses		1,019.82	-	1,019.82
<b>Total Expense</b>		<b>9,924.73</b>	<b>3,085.27</b>	<b>13,010.00</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>(4,977.76)</b>	<b>(3,048.48)</b>	<b>(8,026.24)</b>
Exceptional items				
<b>Profit/(loss) before tax</b>		<b>(4,977.76)</b>	<b>(3,048.48)</b>	<b>(8,026.24)</b>
<b>Tax expense:</b>				
Current Tax		-	-	-
Adjustment of tax relating to earlier periods		-	-	-
Deferred Tax		-	-	-
Less: MAT credit entitlement		-	-	-
<b>Income tax expenses</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/(Loss) for the year</b>		<b>(4,977.76)</b>	<b>(3,048.48)</b>	<b>(8,026.24)</b>
<b>Other Comprehensive Income</b>				
(a) Items that will not be reclassified to profit and loss in subsequent period				
Re-measurement gains (losses) on defined benefit plans	(b)	-	(1.58)	(1.58)
Income Tax effect		-	-	-
		-	(1.58)	(1.58)
(b) Items that will be reclassified to profit and loss in subsequent period		-	-	-
<b>Other Comprehensive Income for the year</b>		<b>-</b>	<b>(1.58)</b>	<b>(1.58)</b>
<b>Total Comprehensive Income for the year</b>		<b>(4,977.76)</b>	<b>(3,050.06)</b>	<b>(8,027.82)</b>

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

#### 3.6.1 Reconciliation of total comprehensive income:-

Sr No	Nature of Adjustments	Year Ended March 31, 2016 ₹ In Lacs
	<b>Net Profit as per previous GAAP</b>	(4,977.76)
i)	Remeasurement cost of net defined benefit liability (refer note (b) below)	1.58
ii)	Net gain/(loss) on financial assets / liabilities fair valued through statement of profit and loss (refer note (c) below)	(3,050.06)
iii)	Measurement of Grant as Deferred Income (refer note (a) below)	35.14
iv)	Depreciation (refer note (a) below)	(35.14)
	<b>Total</b>	<b>(3,048.48)</b>
	<b>Net profit before OCI as per Ind AS</b>	<b>(8,026.24)</b>
	Other comprehensive Income (net of tax)	(1.58)
	<b>Total comprehensive income as per Ind AS</b>	<b>(8,027.82)</b>

#### 3.6.2 Reconciliation of equity:-

Sr No	Nature of Adjustments	As at March 31, 2016 ₹ in Lacs	As at April 01, 2015 ₹ in Lacs
	<b>Equity as per Previous GAAP</b>	3,719.04	8,696.80
	Fair Valuation of ICD (refer note (e) below)	-	3,046.59
	Financial assets / liabilities fair valued through statement of profit and loss (refer note (c) below)	(10.14)	(6.67)
	<b>Total adjustments</b>	<b>(10.14)</b>	<b>3,039.92</b>
	<b>Equity as per Ind AS</b>	<b>3,708.90</b>	<b>11,736.72</b>

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

(a) Measurement of Government Grant as Deferred Income : The government grant related to fixed assets was netted off with the cost under the previous GAAP. The same is accounted as deferred income under Ind-AS.

(b) Remeasurement cost of net defined liability : Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, measurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

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

(d) Port concession rights : The Company recognises port concession rights as "Intangible Assets" arising from a service concession arrangement, the company has rights to operate property, plant and equipment, hence the tangible assets has been reclassified to intangible assets.

(e) The company has outstanding interest free loan from holding company as on 01.04.2015 which was fair valued as per Ind AS-109. During the year 2015-16 the terms of the loan agreement was changed and the interest free was converted into interest bearing with 9 % interest rate. The change in interest rate from 0 % to 9 % is considered as significant and therefore the unamortised benefit of interest free loan has been charged to profit and loss account.

Adani Murrugao Port Terminal Private Limited  
Notes to Financials statements for the year ended March 31, 2017  
Note 4 - Property, plant and equipment , Intangible assets and capital work-in-progress

₹ in Lacs

Particulars	Tangible assets					Intangible assets			Capital work-in-progress
	Computer Hardware	Furnitures & Fixtures	Vehicles	Office Equipments	Total	Software	Port Infrastructure	Total	Total
<b>Cost</b>									
As at April 1, 2015	158.13	42.91	44.58	246.00	491.62	75.16	43,524.62	43,599.78	-
Additions	10.70	0.53	-	20.33	31.56	29.23	943.09	972.32	-
Deductions/Adjustment	-	-	-	-	-	-	340.33	340.33	-
Exchange difference	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2016</b>	<b>168.82</b>	<b>43.44</b>	<b>44.58</b>	<b>266.33</b>	<b>523.18</b>	<b>104.39</b>	<b>44,127.39</b>	<b>44,231.77</b>	-
Additions	1.58	-	1.32	-	2.90	-	172.13	172.13	17.93
Deductions/Adjustment	-	-	-	-	-	-	(451.43)	(451.43)	-
Exchange difference	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>170.41</b>	<b>43.44</b>	<b>45.90</b>	<b>266.33</b>	<b>526.08</b>	<b>104.39</b>	<b>44,750.95</b>	<b>44,855.33</b>	<b>17.93</b>
<b>Depreciation and Impairment</b>									
As at April 1, 2015	-	-	-	-	-	-	-	-	-
Depreciation for the year	33.96	9.49	6.53	60.85	110.83	17.92	2,511.54	2,529.46	-
Deductions/(Adjustment)	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2016</b>	<b>33.96</b>	<b>9.49</b>	<b>6.53</b>	<b>60.85</b>	<b>110.83</b>	<b>17.92</b>	<b>2,511.54</b>	<b>2,529.46</b>	-
Depreciation for the year	33.91	4.52	6.61	59.79	104.83	22.32	2,559.29	2,581.61	-
Deductions/(Adjustment)	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>67.86</b>	<b>14.01</b>	<b>13.14</b>	<b>120.64</b>	<b>215.66</b>	<b>40.24</b>	<b>5,070.84</b>	<b>5,111.08</b>	-
<b>Net Block</b>									
As at March 31, 2017	102.54	29.44	32.76	145.69	310.42	64.15	39,680.11	39,744.26	17.93
As at March 31, 2016	134.87	33.95	38.05	205.48	412.35	86.47	41,615.84	41,702.31	-
As at April 1, 2015	158.13	42.91	44.58	246.00	491.62	75.16	43,524.62	43,599.78	-

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

**5 Trade receivables**

**Current**

**Unsecured considered good unless stated otherwise**

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
Trade receivables	1,116.61	1.56	377.65
Receivables from related parties	62.35	1,057.68	-
	<b>1,178.96</b>	<b>1,059.24</b>	<b>377.65</b>

**6 Other financial assets**

**Non-current**

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
Security and other deposits	21.58	19.79	18.12
Loans and advances to employees	1.63	1.63	-
	<b>23.21</b>	<b>21.42</b>	<b>18.12</b>

**Current**

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
Security and other deposits	5.24	6.50	3.34
Loans and advances to employees	1.07	3.47	2.34
	<b>6.31</b>	<b>9.97</b>	<b>5.68</b>

**7 Other Assets**

**Non Current**

**Capital advances**

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
Unsecured, considered good	5.74	15.51	133.17
(A)	<b>5.74</b>	<b>15.51</b>	<b>133.17</b>

**Others (Unsecured)**

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
Balance with government authorities	1,379.93	1,379.93	1,800.54
Advance income tax ( Net of provision for taxation)	124.69	100.67	77.68
(B)	<b>1,504.62</b>	<b>1,480.60</b>	<b>1,878.22</b>
	<b>1,510.36</b>	<b>1,496.11</b>	<b>2,011.39</b>

**Current**

**Advances recoverable in cash or in kind**

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
Unsecured, considered good	853.51	805.85	738.17
(A)	<b>853.51</b>	<b>805.85</b>	<b>738.17</b>

**Others (Unsecured)**

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
Prepaid expenses	115.64	120.78	125.17
Balances with statutory/ Government authorities	939.66	1,211.00	1,047.26
Others (also refer note 2.1 (g))	399.81	-	-
(B)	<b>1,455.11</b>	<b>1,331.78</b>	<b>1,172.43</b>
	<b>2,308.62</b>	<b>2,137.63</b>	<b>1,910.60</b>

**8 Inventories**

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
Stores and spares	746.55	348.46	24.94
	<b>746.55</b>	<b>348.46</b>	<b>24.94</b>

**9 Cash and cash equivalents**

**Balances with banks:**

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
Balance in current account	184.69	196.49	205.49
<b>Cash on hand</b>	-	-	0.10
	<b>184.69</b>	<b>196.49</b>	<b>205.59</b>

**10 Bank balances other than cash and cash equivalents**

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
Margin money deposits	-	-	1,908.25
	-	-	<b>1,908.25</b>



## Adani Murmugao Port Terminal Private Limited

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

### 11 Share capital

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
<b>Authorised</b>			
11,58,88,500 Equity Shares of ₹ 10 each ( 11,58,88,500 and 11,58,88,500 Equity Shares of ₹ 10 each as at March 31, 2016 and April 01, 2015 respectively)	11,588.85	11,588.85	11,588.85
	<b>11,588.85</b>	<b>11,588.85</b>	<b>11,588.85</b>
<b>Issued, subscribed and fully paid up shares</b>			
11,58,88,500 Equity Shares of ₹ 10 each ( 11,58,88,500 and 11,58,88,500 Equity Shares of ₹ 10 each as at March 31, 2016 and April 01, 2015 respectively)	11,588.85	11,588.85	11,588.85
	<b>11,588.85</b>	<b>11,588.85</b>	<b>11,588.85</b>

#### 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	1,158.89	11,588.85	1,158.89	11,588.85
New shares Issued during the year	-	-	-	-
As the end of the year	<b>1,158.89</b>	<b>11,588.85</b>	<b>1,158.89</b>	<b>11,588.85</b>

#### (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
<b>Adani Ports and Special Economic Zone Limited, the holding company and its nominee</b>		
8,57,57,500 Equity Shares (Previous year 8,57,57,500) of ₹ 10 each	8,575.75	8,575.75

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

Equity shares of ₹ 10 each fully paid	Particulars	March 31, 2017	March 31, 2016	April 01, 2015
		No in Lacs	% Holding	No in Lacs
Adani Ports and Special Economic Zone Limited, the holding company and its nominee	No in Lacs	8,575.75	8,575.75	8,575.75
	% Holding	74.00%	74.00%	74.00%
Adani Enterprises Limited	No in Lacs	3,013.10	3,013.10	3,013.10
	% Holding	26.00%	26.00%	26.00%

### 12 Other equity

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
Retained earnings	(8,666.81)	(7,879.95)	147.87
	<b>(8,666.81)</b>	<b>(7,879.95)</b>	<b>147.87</b>

### 13 Borrowings

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
<b>Non-Current</b>			
Indian rupee loan from bank	-	-	11,864.38
Inter corporate deposit (refer note a) (Unsecured)	2,098.33	40,738.00	16,953.41
Inter corporate deposit (refer note a) (Secured)	37,500.00	-	-
	<b>39,598.33</b>	<b>40,738.00</b>	<b>28,817.79</b>
<b>Current</b>			
Indian rupee loan from bank	-	-	3,562.50
Inter corporate deposit (refer note a) (Unsecured)	2,076.27	-	4,105.00
<b>Total current borrowing</b>	<b>2,076.27</b>	<b>-</b>	<b>7,667.50</b>
Less: Amount shown under "other current liabilities"	(539.67)	-	(3,562.50)
<b>Net current borrowing</b>	<b>1,536.60</b>	<b>-</b>	<b>4,105.00</b>
<b>The above amount includes</b>			
Secured borrowings	37,500.00	-	15,426.88
Unsecured borrowings	4,174.60	40,738.00	21,058.41
<b>Total borrowings</b>	<b>41,674.60</b>	<b>40,738.00</b>	<b>36,485.29</b>

#### Notes:

(a) Inter Corporate Deposit is received from Adani Ports and Special Economic Zone Ltd., the holding Company, and it carries interest rate @ 9%.The outstanding loan balance will be repayable by November 30 ,2029.

## Adani Murmugao Port Terminal Private Limited

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

### 14 Other financial liabilities

#### Current

Current maturities of long term borrowings (refer note 13)  
Interest accrued but not due on borrowings  
Capital creditors, retention money and other payable

March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
539.67	-	3,562.50
70.06	1,506.57	-
254.12	373.06	1,232.95
<b>863.85</b>	<b>1,879.63</b>	<b>4,795.45</b>

### 15 Provisions

#### Non-current

Provision for gratuity (refer note 30)  
Provision for leave encashment

March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
29.67	27.07	18.66
20.71	22.27	16.76
<b>50.38</b>	<b>49.34</b>	<b>35.42</b>

#### Current

Provision for gratuity (refer note 30)  
Provision for compensated absences

March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
0.40	0.31	0.23
6.84	6.94	6.38
<b>7.24</b>	<b>7.25</b>	<b>6.61</b>

### 16 Other Liabilities

#### Non Current

Deferred government grant

March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
398.45	433.59	480.58
<b>398.45</b>	<b>433.59</b>	<b>480.58</b>

#### Current

Unearned revenue  
Statutory liability  
Deferred government grant- current  
Advance from customers

March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
4.82	7.90	9.82
116.66	51.09	121.98
35.15	35.15	23.30
23.21	12.71	15.57
<b>179.84</b>	<b>106.85</b>	<b>170.67</b>

### 17 Trade payables

Payables to micro, small and medium enterprises (refer note 33)  
Trade payables  
Payables to related parties

March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
-	-	-
418.45	456.01	375.93
56.13	4.41	29.45
<b>474.58</b>	<b>460.42</b>	<b>405.38</b>

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

**18 Revenue from operations**

Income from port operations (including related infrastructure)

March 31, 2017	March 31, 2016
₹ In Lacs	₹ In Lacs
5,905.23	4,892.66
<b>5,905.23</b>	<b>4,892.66</b>

**19 Other income**

**Interest Income from**

Bank deposits  
Customers and others  
Unclaimed liabilities / excess provision written back  
Scrap sale  
Rent income  
Miscellaneous income

March 31, 2017	March 31, 2016
₹ In Lacs	₹ In Lacs
-	15.69
13.63	1.71
158.98	35.02
5.61	2.51
0.06	0.83
62.27	35.34
<b>240.55</b>	<b>91.10</b>

**20 Operating Expenses**

Cargo handling /Other charges to sub-contractors (net of reimbursement )  
Railway operating expenses  
Tug and pilotage charges  
Other expenses including customs establishment charges  
Repairs to plant & machinery  
Repairs to buildings  
Power & fuel

March 31, 2017	March 31, 2016
₹ In Lacs	₹ In Lacs
1,856.96	1,597.08
0.88	-
87.80	71.01
3.27	1.96
364.00	256.61
7.06	16.66
324.85	314.98
<b>2,644.82</b>	<b>2,258.30</b>

**21 Employee benefit expense**

Salaries and wages  
Contribution to provident and other funds  
Gratuity (refer note 30)  
Staff welfare expenses

March 31, 2017	March 31, 2016
₹ In Lacs	₹ In Lacs
345.58	320.86
16.83	15.59
8.72	6.92
12.57	17.63
<b>383.70</b>	<b>361.00</b>

**22 Finance Costs**

**Interest on**

Fixed loans, buyer's credit, short term etc.  
Others  
Bank and other finance charges

March 31, 2017	March 31, 2016
₹ In Lacs	₹ In Lacs
77.85	3,645.22
0.01	5.11
17.41	33.67
<b>100.38</b>	<b>3,684.00</b>

**23 Other Expenses**

Rent  
Rates and taxes  
Insurance (net of reimbursement )  
Advertisement and publicity  
Other Repairs and maintenance (net of reimbursement)  
Legal and professional expenses  
Payment to auditors ( refer note 1 below)  
Security expenses  
Communication expenses  
Electric power expenses  
Office expenses  
Travelling and conveyance  
Directors sitting fee  
Charity & donations  
Loss on foreign exchange variation (net)  
Miscellaneous expenses

March 31, 2017	March 31, 2016
₹ In Lacs	₹ In Lacs
699.47	684.87
1.36	3.21
9.82	10.21
7.34	6.70
23.80	16.78
101.65	61.95
4.80	3.66
81.48	67.81
40.49	9.00
2.55	5.69
27.58	27.13
18.73	108.86
2.02	1.18
51.23	3.74
3.48	-
40.06	9.03
<b>1,115.86</b>	<b>1,019.82</b>

**Note: 1**

**Payment to Auditor**

**As Auditor:**

Audit fee  
Limited review

**In other Capacity**

Other Services

**Reimbursement of expenses**

March 31, 2017	March 31, 2016
₹ In Lacs	₹ In Lacs
2.50	2.00
1.50	1.50
0.78	-
0.02	0.16
<b>4.80</b>	<b>3.66</b>

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

**24 Fair Value Measurement**

a) The carrying value of financial instruments by categories as of March 31, 2017 is as follows :

Particulars	₹ in Lacs				
	Fair Value through other Comprehensive Income	Fair Value through other Profit & Loss	Derivative instruments not in hedging relationship	Amortised Cost	Total
<b>Financial Asset</b>					
Trade receivables				1,178.96	1,178.96
Cash and cash equivalents				184.69	184.69
Others financial assets				29.52	29.52
	-	-	-	<b>1,393.17</b>	<b>1,393.17</b>
<b>Financial Liabilities</b>					
Borrowings				41,134.93	41,134.93
Trade payables				474.58	474.58
Other financial liabilities		-		863.85	863.85
	-	-	-	<b>42,473.36</b>	<b>42,473.36</b>

b) The carrying value of financial instruments by categories as of March 31, 2016 is as follows :

Particulars	₹ in Lacs				
	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Derivative instruments not in hedging relationship	Amortised Cost	Total
<b>Financial Asset</b>					
Trade receivables	-	-	-	1,059.24	1,059.24
Cash and cash equivalents	-	-	-	196.49	196.49
Others financial assets	-	-	-	31.39	31.39
	-	-	-	<b>1,287.12</b>	<b>1,287.12</b>
<b>Financial Liabilities</b>					
Borrowings	-	-	-	40,738.00	40,738.00
Trade payables	-	-	-	460.42	460.42
Other financial liabilities	-	-	-	1,879.63	1,879.63
	-	-	-	<b>43,078.05</b>	<b>43,078.05</b>

c) The carrying value of financial instruments by categories as of April 01, 2015 is as follows :

Particulars	₹ in Lacs				
	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Derivative instruments not in hedging relationship	Amortised Cost	Total
<b>Financial Asset</b>					
Trade receivables	-	-	-	377.65	377.65
Cash and cash equivalents	-	-	-	205.59	205.59
Other Bank balance	-	-	-	1,908.25	1,908.25
Others financial assets	-	-	-	23.80	23.80
	-	-	-	<b>2,515.29</b>	<b>2,515.29</b>
<b>Financial Liabilities</b>					
Borrowings	-	-	-	32,922.79	32,922.79
Trade payables	-	-	-	405.38	405.38
Other financial liabilities	-	-	-	4,795.45	4,795.45
	-	-	-	<b>38,123.62</b>	<b>38,123.62</b>

**25 Financial Risk objective and policies**

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

**Interest rate risk**

The Company is exposed to changes in market interest rates due to financing, investing and cash management activities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

**Foreign currency risk**

The Company also enters various foreign exchange contracts to mitigate the risk arising out of foreign exchange rate movement on foreign currency borrowings or trade payables.

**Credit risk**

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

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

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

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

## Adani Murmugao Port Terminal Private Limited

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

#### Liquidity risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cash flows.

#### Maturity profile of financial liabilities :

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date

##### As on 31.03.2017

Particulars	Less than 1 year	1 to 5 years
Long term borrowings		39,598.33
Short term borrowings	1,536.60	
Other non-current financial liabilities		398.45
Other current financial liabilities	179.84	
Trade and other payables	481.82	

##### As on 31.03.2016

Particulars	Less than 1 year	1 to 5 years
Long term borrowings		40,738.00
Short term borrowings	-	
Other non-current financial liabilities		433.59
Other current financial liabilities	106.85	
Trade and other payables	467.67	

##### As on 31.03.2015

Particulars	Less than 1 year	1 to 5 years
Long term borrowings		28,817.79
Short term borrowings	4,105.00	
Other non-current financial liabilities		480.58
Other current financial liabilities	170.67	
Trade and other payables	411.99	

#### 26 Capital management

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

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

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Net debt (total debt less cash and cash equivalents)	40,950.24	40,541.51	32,717.20
Total capital	11,588.85	11,588.85	11,588.85
Total capital and net debt	52,539.09	52,130.36	44,306.05
Gearing ratio	77.94%	77.77%	73.84%

#### 27 Earnings per share

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs
Net profit as per statement of profit and loss	(785.42)	(8,026.24)
Weighted average number of equity shares	1,158.89	1,158.89
Basic and diluted earning per share (in ₹)	(0.68)	(6.93)

#### 28 Capital commitments & other commitment

##### Capital commitments

Particulars	₹ In Lacs	
	March 31, 2017	March 31, 2016
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	92.33	197.17

##### Other commitment

Particulars	March 31, 2017	March 31, 2016
(i) The Company has imported capital good for its Container and Multipurpose Port Terminal Project under the Export Promotion Capital Goods Scheme of the Government of India at concessional rate of custom duty by undertaking obligation to export. Future outstanding export obligation under the scheme is ₹ 9,192.16 Lacs which is equivalent to either 8 times / 6 times of duty saved of ₹ 1,149.02 Lacs. The export obligation has to be completed by 2019-20.	9,192.16	9,192.16

**ADANI MURMUGAO PORT TERMINAL PRIVATE LIMITED**

Details of Related Party Transactions for the year ended March 31, 2017 are as under;

**29 Related Party Disclosures:**

The Management has identified the following entities as related parties of the Company, which are as under:

<b>Holding Company</b>	Adani Ports & Special Economic Zone Limited
<b>Entity having Significant Influence</b>	Adani Enterprises Limited
<b>Fellow Subsidiary Companies</b>	Adani Hazira Port Private Limited
	The Dhamra Port Company Ltd
	Adani Vizag Coal Terminal Private Limited
	Adani Logistics Limited
	Karnavati Aviation Private Limited

(₹ in lacs)

Particulars	Adani Ports & Special Economic Zone Limited		Adani Enterprise Ltd.		Adani Hazira Port Pvt. Ltd.		Adani Logistics Ltd.		Karnavati Aviation Pvt. Ltd.		The Dhamra Port Company Ltd		Adani Vizag Coal Terminal Pvt Ltd		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Rendering of Services (incl reimb of expenses)	-	-	933.15	-	-	-	60.97	4,890.73	-	-	-	-	-	-	994.12	4,890.73
Purchase of Services (including equipment rental)	16.73	-	44.04	15.96	-	-	-	-	-	81.30	-	-	-	-	60.77	97.27
Purchase of Asset	8.10	-	-	-	0.67	-	-	-	-	-	-	-	-	-	8.77	-
Interest Expense	77.85	3,457.50	-	-	-	-	-	-	-	-	-	-	-	-	77.85	3,457.50
Fair value adjustment of financial liability	-	3,046.59	-	-	-	-	-	-	-	-	-	-	-	-	-	3,046.59
Donation	-	0.35	-	-	-	-	-	-	-	-	-	-	-	-	-	0.35
Unsecured Loan received	3,043.60	19,463.00	-	-	-	-	-	-	-	-	-	-	-	-	3,043.60	19,463.00
Unsecured Loan repaid	(2,107.00)	(2,830.00)	-	-	-	-	-	-	-	-	-	-	-	-	(2,107.00)	(2,830.00)
Closing Balance of Unsecured Loan	41,064.87	40,738.00	-	-	-	-	-	-	-	-	-	-	-	-	41,064.87	40,738.00
Interest accrued but not due	70.06	1,506.57	-	-	-	-	-	-	-	-	-	-	-	-	70.06	1,506.57
Accounts (payable)/receivable at year end	(35.31)	(0.58)	54.34	(3.83)	(0.67)	-	(14.95)	1,057.68	-	-	(5.20)	-	8.01	-	6.23	1,053.27

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

**30 Disclosures as required by Ind AS - 19 Employee Benefits**

The company has a defined gratuity plan. Under the plan every employee who has completed at least five year of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarise the component of the net benefits expense recognised in the statement of profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plan.

**Gratuity**

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

₹ in Lacs

Particulars	March 31, 2017	March 31, 2016
Present value of the defined benefit obligation at the beginning of the year	27.38	18.88
Current service cost	6.56	5.41
Past Service Cost	-	-
Interest cost	2.16	1.51
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	(6.86)	1.48
- experience variance	8.30	0.11
Acquisition Adjustment	(7.47)	-
Benefits paid	-	-
Present value of the defined benefit obligation at the end of the year	<b>30.07</b>	<b>27.38</b>

**b) Net asset/(liability) recognised in the balance sheet**

₹ in Lacs

Contribution to	March 31, 2017	March 31, 2016
Present value of the defined benefit obligation at the end of the year	30.07	27.38
Fair value of plan assets at the end of the year	-	-
Amount recognised in the balance sheet	30.07	27.38
Net (liability)/asset - Current	(0.40)	(0.31)
Net (liability)/asset - Non-current	(29.67)	(27.07)

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

₹ in Lacs

Particulars	March 31, 2017	March 31, 2016
Current service cost	6.56	5.41
Interest cost on benefit obligation	2.16	1.51
Total expense included in employee benefits expense	<b>8.72</b>	<b>6.92</b>

**d) Recognised in the other comprehensive income for the year**

₹ in Lacs

Particulars	March 31, 2017	March 31, 2016
Actuarial (gain)/losses arising from		
- change in demographic assumptions	-	-
- change in financial assumptions	(6.86)	1.48
- experience variance	8.30	0.11
Return on plan assets, excluding amount recognised in net interest expense	-	-
Recognised in comprehensive income	<b>1.44</b>	<b>1.58</b>

**e) Maturity profile of Defined Benefit Obligation**

₹ in Lacs

Particulars	March 31, 2017	March 31, 2016
Weighted average duration (based on discounted cash flows)	100%	100%

**f) Quantitative sensitivity analysis for significant assumption is as below**

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

Particulars	March 31, 2017		March 31, 2016	
	1 % Decrease	1 % Increase	1 % Decrease	1 % Increase
Assumptions	Discount rate			
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	3.85	3.27	3.01	2.56

Particulars	March 31, 2017		March 31, 2016	
	1 % Decrease	1 % Increase	1 % Decrease	1 % Increase
Assumptions	Salary Growth rate			
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	3.32	3.84	2.56	2.95

Particulars	March 31, 2017		March 31, 2016	
	0.5 % Decrease	0.5 % Increase	0.5 % Decrease	0.5 % Increase
Assumptions	Attrition rate			
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	0.37	0.36	0.84	0.79

Particulars	March 31, 2017		March 31, 2016	
	0.1 % Decrease	0.1 % Increase	0.1 % Decrease	0.1 % Increase
Assumptions	Mortality rate			
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	0.01	0.01	0.01	0.01

## Adani Murmugao Port Terminal Private Limited

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

### Sensitivity Analysis Method

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

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

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

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

Particulars	₹ In Lacs		
	March 31, 2017	March 31, 2016	April 01, 2015
Discount rate	7.60%	7.90%	7.96%
Rate of escalation in salary (per annum)	7.00%	9.00%	8.50%
Mortality	IAL (2006-08) Ultimate	IAL (2006-08) Ultimate	IAL (2006-08) Ultimate
Attrition rate	10% for 5 years & below and 1% thereafter	10% for 5 years & below and 1% thereafter	10% for 5 years & below and 1% thereafter

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

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

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

Particulars	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Defined benefit obligation	30.07	27.38	-	-	-
Plan assets	-	-	-	-	-
Surplus/(deficit)	(30.07)	(27.38)	-	-	-
Experience adjustments on plan liabilities (gain)/loss	8.30	0.11	-	-	-
Experience adjustments on plan assets gain / (loss)	-	-	-	-	-

### 31 Unhedged foreign currency exposure

Nature	As at March 31, 2017		As at March 31, 2016	
	Amount ₹ In Lacs	Foreign Currency In Mn	Amount ₹ In Lacs	Foreign Currency In Mn
Trade payables	0.77	EUR 0.011	-	-
Trade payables	0.36	AUD 0.007	-	-

Closing rates as at March 31, 2017:

INR / EURO = ₹ 69.2925

INR / AUD = ₹ 49.5775

32 The company has outstanding interest free loan from holding company as on 01.04.2015 which was fair valued as per Ind AS-109. During the year 2015-16 the terms of the loan agreement was changed and the interest free was converted into interest bearing with 9 % interest rate. The change in interest rate from 0 % to 9 % is considered as significant and therefore the unamortised benefit of interest free loan has been charged to profit and loss account.

33 Based on the information and supplier's profile available with the Company as at March 31, 2017, the management believes that no creditor is covered under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosure if any relating to accounts unpaid as at the period end together with the interest paid/payable as required under the said Act have not been given.

### 34 Standard issued but not effective:

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

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

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

### 36 Approval of financial statements

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

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  
Chartered Accountants

For and on behalf of Board of Directors of  
Adani Murmugao Port Terminal Private Limited

Sandip A. Parikh  
Partner  
Membership No. 40727

G.J.Rao  
Managing Director  
DIN: 01724002

Subrat Tripathy  
Director  
DIN : 06890393

Haresh Bhuvra  
Company Secretary

B.Ravi  
Chief Financial Officer

Place: Ahmedabad  
Date: April 29, 2017

Place: Ahmedabad  
Date: April 29, 2017