

INDEPENDENT AUDITOR'S REPORT

To the Members of Adani Vizhinjam Port Private Limited

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company did not have pending litigations on its financial position in its Ind AS financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Adani Vizhinjam Port Private Limited

Auditors' Report on Standalone Financial Statements for year ended March 31, 2017

Page **3** of **7**

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

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Santosh Aggarwal

Partner

Membership Number: 93669

Place of Signature: Ahmedabad

Date: May 04, 2017

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have immovable properties included in the Property, Plant and Equipment accordingly the provisions of clause(i) (c) of the order are not applicable to the Company and hence not commented upon.
- (ii) The Company currently does not have any business involving inventories accordingly the provisions of clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Company does not have any business activities during the period; accordingly the provisions of clause 3(vi) of the Order are not applicable to the Company and hence not commented upon.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it. The provision of employees' state insurance is not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to banks. The Company has not taken any loan from financial institutions and has not issued debentures.
- (ix) In our opinion and according to the information and explanations given by the management, and on an overall examination of the balance sheet, we report that the Company has utilised the monies raised by way of term loans for the purposes for which those were raised.

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

(xi) Based upon the audit procedure performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we report that the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

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

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

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

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

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Santosh Aggarwal

Partner

Membership Number: 93669

Place of Signature: Ahmedabad

Date: May 04, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ADANI VIZHINJAM PORT PRIVATE LIMITED

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Santosh Aggarwal

Partner

Membership Number: 93669

Place of Signature: Ahmedabad

Date: May 04, 2017

Adani Vizhinjam Port Private Limited
Balance Sheet as at March 31, 2017

Particulars	Notes	₹ in Lacs	
		As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property, Plant and Equipment	3	188.53	-
Capital Work-in-Progress	3	49,449.41	2,842.29
Other Non-Current Assets	5	45,415.94	11,671.14
		95,053.88	14,513.43
Current assets			
Financial assets			
(i) Cash and Cash Equivalents	6	353.66	239.29
(ii) Other Financial Assets	4	8.82	3.00
Other Current Assets	5	179.54	82.51
		542.02	324.80
Total Assets		95,595.90	14,838.23
Equity and Liabilities			
Equity			
Equity Share Capital	7	19,995.63	5.00
Other Equity	8	(535.17)	(341.36)
Total Equity attributable to Equity Holders of the Parent		19,460.46	(336.36)
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	9	57,110.96	2,695.25
Net Employee Defined Benefit Liabilities	11	26.12	-
Deferred tax liabilities (net)	16	-	-
Other Non-Current Liabilities	12	15,305.74	-
		72,442.82	2,695.25
Current Liabilities			
Financial Liabilities			
(i) Trade Payables	13	26.94	11.44
(ii) Other Financial Liabilities	10	3,221.96	12,402.22
Other Current Liabilities	12	403.28	65.68
Net Employee Defined Benefit Liabilities	11	40.44	-
		3,692.62	12,479.34
Total Liabilities		76,135.44	15,174.59
Total Equity and Liabilities		95,595.90	14,838.23

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

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

For and on behalf of Board of Directors
Adani Vizhinjam Port Private Limited

per Santosh Aggarwal
Partner
Membership No. 93669

Dr. Malay Mahadevia
[Director]
DIN:00064110

Karan Adani
[Director]
DIN: 03088095

Santosh Kumar Mohapatra
[Whole Time Director]
DIN:00284280

Daljeet Singh Sando
[Company Secretary]

Dinesh Birla
[Chief Financial Officer]

Place: Ahmedabad
Date: May 04, 2017

Place: Ahmedabad
Date: May 04, 2017

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

Particulars	Notes	₹ In Lacs	
		For the year ended March 31, 2017	For the period July 27, 2015 to March 31, 2016
Expenses			
Depreciation and Amortization Expense	3	4.76	-
Finance Costs	14	8.76	5.93
Other Expenses	15	180.29	335.43
Total Expense		193.81	341.36
(Loss) Before Tax		(193.81)	(341.36)
Tax Expense:			
Deferred Tax	16	-	-
Total Tax Expense		-	-
(Loss) for the year		(193.81)	(341.36)
Other Comprehensive Income		-	-
Total Comprehensive Income for the year net of tax		(193.81)	(341.36)
Earnings per Share - (Face value of ₹ 10 each)			
Basic and Diluted (in ₹)	18	(0.14)	(682.72)

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

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

For and on behalf of Board of Directors
Adani Vizhinjam Port Private Limited

per Santosh Aggarwal
Partner
Membership No. 93669

Dr. Malay Mahadevia
[Director]
DIN:00064110

Karan Adani
[Director]
DIN: 03088095

Santosh Kumar Mohapatra
[Whole Time Director]
DIN:00284280

Daljeet Singh Sando
[Company Secretary]

Dinesh Birla
[Chief Financial Officer]

Place: Ahmedabad
Date: May 04, 2017

Place: Ahmedabad
Date: May 04, 2017

Adani Vizhinjam Port Private Limited

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

₹ in Lacs

	Equity Share Capital	Reserves and Surplus Retained Earning	Other Comprehensive Income FVTOCI Reserve	Total
Balance as at July 27, 2015	-	-	-	-
(Loss) for the period		(341.36)		(341.36)
Other Comprehensive Income		-		-
Total Comprehensive Income for the year	-	(341.36)	-	(341.36)
Shares issued during the period	5.00			5.00
Balance as at March 31, 2016	5.00	(341.36)	-	(336.36)

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

₹ in Lacs

Particulars	Equity Share Capital	Reserves and Surplus Retained Earning	Other Comprehensive Income FVTOCI Reserve	Total
Balance as at April 01, 2016	5.00	(341.36)	-	(336.36)
(Loss) for the year		(193.81)		(193.81)
Other Comprehensive Income		-		-
Total Comprehensive Income for the year	-	(193.81)		(193.81)
Share issue during the year	19,990.63			19,990.63
Balances as at March 31, 2017	19,995.63	(535.17)	-	19,460.46

The accompanying notes are an integral part of the financial statements

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

per Santosh Aggarwal
Partner
Membership No. 93669

Place: Ahmedabad
Date: May 04, 2017

For and on behalf of Board of Directors of
Adani Vizhinjam Port Private Limited

Dr. Malay Mahadevia
[Director]
DIN:00064110

Karan Adani
[Director]
DIN: 03088095

Santosh Kumar Mohapatra
[Whole Time Director]
DIN:00284280

Daljeet Singh Sando
[Company Secretary]

Dinesh Birla
[Chief Financial Officer]

Place: Ahmedabad
Date: May 04, 2017

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

Particulars	₹ In Lacs	
	For the year ended March 31, 2017	For the period July 27, 2015 to March 31, 2016
A. Cash Flow from Operating Activities		
Loss before tax	(193.81)	(341.36)
Adjustments for:		
Depreciation and Amortisation Expense	4.76	-
Interest Expense	8.76	5.93
Operating (Loss) Before Working Capital Changes	(180.29)	(335.43)
Adjustment for :		
(Increase) in Financial Assets	(5.82)	(3.00)
(Increase) in Other Assets	(4,220.99)	(457.80)
Increase in Trade Payables	15.50	11.44
Increase in Net Employee Defined Benefit	66.56	-
Increase in Other Liabilities	337.60	61.22
Increase in Financial Liabilities	0.55	-
Cash generated from operations	(3,986.89)	(723.57)
Direct Taxes paid (net of Refunds)	16.09	-
Net Cash Flow from Operating Activities	(4,002.98)	(723.57)
B. Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipments (Including capital work In progress and capital advances)	(71,983.67)	(13,029.06)
Net Cash Outflow from Investing Activities	(71,983.67)	(13,029.06)
C. Cash Flows from Financing Activities		
Proceeds from Issuance of Share Capital	19,990.63	5.00
Proceeds from Inter Corporate Deposit	54,415.71	2,695.25
Proceeds from Bills under Suppliers Credit	-	11,291.67
Repayment of Borrowings under Suppliers Credit	(12,127.42)	-
Receipt of Government Grant	14,630.00	-
Interest Paid	(807.90)	-
Net Cash Flow from Financing Activities	76,101.02	13,991.92
D. Net Increase in Cash & Cash Equivalents (A + B + C)	114.37	239.29
E. Cash and Cash Equivalents at the Beginning of the Year (refer note 6)	239.29	-
F. Cash & Cash Equivalents at the End of the Year (refer note 6)	353.66	239.29
Component of Cash and Cash Equivalents		
Balances with Scheduled Bank		
On Current Accounts	353.66	239.29
Cash and Cash Equivalents at the End of the Year	353.66	239.29

Summary of significant accounting policies refer note 2.2

(1) The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7 on Cash Flow Statements notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

As per our report of even date

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

For and on behalf of Board of Directors
Adani Vizhinjam Port Private Limited

per **Santosh Aggarwal**
Partner
Membership No. 93669

Dr. Malay Mahadevia
[Director]
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[Whole Time Director]
DIN:00284280

Daljeet Singh Sando
[Company Secretary]

Dinesh Birla
[Chief Financial Officer]

Place: Ahmedabad
Date: May 04, 2017

Place: Ahmedabad
Date: May 04, 2017

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

1 Corporate information

The financial statements comprise financial statements of Adani Vizhinjam Port Private Limited (the "Company, AVPPL") for the year ended March 31, 2017. The Company was incorporated on July 27, 2015 as a 100% subsidiary of Adani Ports and Special Economic Zone Limited (Holding Company or "APSEZL") with an objective for development of multipurpose seaport at Vizhinjam, Kerala. The Company has entered into a Concession Agreement with Government of Kerala (Authority) dated August 17, 2015 for Appointed Date i.e. December 05, 2015, under the Design, Build, Finance, Operate and Transfer ("DBFOT") scheme. As at year ended March 31, 2017, the development of multipurpose seaport is in progress.

The financial statements were authorised for issue in accordance with the resolution of directors on May 4, 2017.

2 Basis of preparation

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

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. Refer to note 28.1 for information on how the Company adopted Ind AS.

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

- Defined Benefit Plans - Plan Assets measured at fair value; and
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

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

2.2 Summary of significant accounting policies

a) Current versus non-current classification

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

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

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

All other assets are classified as non-current.

A liability is treated as current when:

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

The Company classifies all other liabilities as non-current

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

b) Cash and cash equivalents

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

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

c) Property, plant and equipment (PPE)

Property, Plant and Equipment (including Capital work in progress) are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, directly and indirectly attributable costs arising directly from the construction / development and borrowing costs if capitalization criteria are met directly attributable cost of bringing the asset / project to its working condition for the intended use. The Company has elected to regard previous GAAP carrying values of property as deemed cost at the date of transition to Ind AS.

Capital work in progress included in PPE is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the borrowing costs for long-term construction projects if the recognition criteria are met. All other costs are recognized in profit or loss as incurred.

Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets / project are ready to be put to use.

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

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

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

d) Foreign currency transactions

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

Adani Vizhinjam Port Private Limited

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

e) Transactions and balances

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

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

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception stated under Note No. 28.1(a), for which the treatment is as below :

- i. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a property, plant and equipment (including funds used for projects work in progress) recognised in the Indian GAAP financial statements for the period ending immediately before beginning of the first Ind AS financial reporting period i.e. March 31, 2016 are capitalised / decapitalised to Property, Plant and Equipment and depreciated over the remaining useful life of the assets.
- ii. Exchange differences arising on other outstanding long term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. March 31, 2016 are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" (FCMITDA) and amortized over the remaining life of the concerned monetary item.

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

f) Retirement and other employee benefits

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

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

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

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

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

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The company measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimate that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months as long term compensated absences which are provided for based on actuarial valuation as at the end of the period. The actuarial valuation is done as per projected unit credit method. The Company presents the entire leave as current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve month after the reporting date.

g) Borrowing Costs

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

h) Related Party Transactions

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

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 fulfillment 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.

Company as a lessee

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

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

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

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

j) Earnings per share

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

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

Adani Vizhinjam Port Private Limited

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

k) Segment Reporting

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

l) Government Grants

Government grants are recognised 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 recognised 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 under concession, it is recognised as income in equal amounts over the expected useful life of the related asset from the date such asset is put to use.

m) Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

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

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

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss

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

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

n) Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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

o) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

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

p) Fair value measurement

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

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

- In the principal market for the asset or liability, or

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

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

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

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

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

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

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

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

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

-Disclosures for valuation methods, significant estimates and assumptions (refer note 17)

-Financial instruments (including those carried at amortised cost) (refer note 17)

q) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

> Debt instruments at amortised cost

> Debt instruments, derivatives, financial instruments and equity instruments at fair value through profit or loss (FVTPL)

Debt instruments at amortised cost

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

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVTPL

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

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

Derecognition

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

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

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

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

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

Adani Vizhinjam Port Private Limited

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

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 ;

Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances

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

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

Financial liabilities

Initial recognition and measurement

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

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

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

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

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

This category generally applies to borrowings.

Derecognition

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

Reclassification of financial assets

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

Offsetting of financial instruments

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

2.3 Significant accounting estimates and assumptions

The preparation of the Company's Ind AS financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of 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.

Adani Vizhinjam Port Private Limited**Notes to Financials statements for the year ended March 31, 2017****Impairment of non-financial assets**

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

Defined benefit plans (gratuity benefits)

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

Fair value measurement of financial instruments

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

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

₹ in Lacs

Particulars	Tangible assets					
	Building (incl. temporary structure)	Plant & equipments	Furniture & fixtures	Office equipments	Computer equipment	Total
Cost						
As at July 27, 2015	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Deductions/Adjustment	-	-	-	-	-	-
As at March 31, 2016	-	-	-	-	-	-
Additions	89.45	68.86	12.49	5.50	25.36	201.66
Deductions/Adjustment	-	-	-	-	-	-
As at March 31, 2017	89.45	68.86	12.49	5.50	25.36	201.66
Depreciation and Impairment						
As at July 27, 2015	-	-	-	-	-	-
Depreciation for the period	-	-	-	-	-	-
Deductions/(Adjustment)	-	-	-	-	-	-
As at March 31, 2016	-	-	-	-	-	-
Depreciation for the year	6.33	2.04	1.2	0.77	2.79	13.13
Deductions/(Adjustment)	-	-	-	-	-	-
As at March 31, 2017	6.33	2.04	1.20	0.77	2.79	13.13
Net Block						
As at March 31, 2017	83.12	66.82	11.29	4.73	22.57	188.53
As at March 31, 2016	-	-	-	-	-	-

i) Out of depreciation expense of ₹ 13.13 lacs, depreciation expense pertaining to Building and Plant and equipments amounting to ₹ 8.37 lacs is transferred to Capital Work-in-Progress as a cost during construction period.

Note 3(b) Capital Work in Progress

₹ in Lacs

Particulars	Amount
As at March 31, 2017	49,449.41
As at March 31, 2016	2,842.29

Refer note 26 for break up of cost component of Capital Work in Progress.

Adani Vizhinjam Port Private Limited

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

4 Other Financial Assets	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Current		
Security and other deposits	6.05	3.00
Loans and advances to employees	2.77	-
TOTAL	8.82	3.00
5 Other Assets		
Non Current		
Capital Advances		
Unsecured, considered good	40,900.60	11,295.85
(A)	40,900.60	11,295.85
Others (Unsecured)		
Prepaid Expenses	168.32	76.00
Balance with Government Authorities / Statutory Authorities	4,330.93	299.29
Taxes Receivable	16.09	-
(B)	4,515.34	375.29
TOTAL (A+B)	45,415.94	11,671.14
Current		
Advances recoverable in cash or in kind		
Unsecured, considered good	45.25	2.00
(A)	45.25	2.00
Others (Unsecured)		
Prepaid Expenses	134.29	80.51
(B)	134.29	80.51
TOTAL (A+B)	179.54	82.51
6 Cash and Cash Equivalents		
Balances with banks:		
Balance in current account	353.66	239.29
TOTAL	353.66	239.29

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Adani Vizhinjam Port Private Limited

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

7 Equity Share capital	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Authorised shares		
19,995,300 Equity Shares of ₹ 10 each (50,000 Equity Shares of ₹ 10 each as at March 31, 2016)	19,995.63	5.00
Issued, subscribed and fully paid up shares		
19,995,300 Equity Shares of ₹ 10 each (50,000 Equity Shares of ₹ 10 each as at March 31, 2016)	19,995.63	5.00
TOTAL	19,995.63	5.00

Notes:
(a) Reconciliation of the number of the shares outstanding at the beginning and at the end of the reporting year:

	As at March 31, 2017		As at March 31, 2016	
	No in Lacs	₹ in Lacs	No in Lacs	₹ in Lacs
At the beginning of the year	0.50	5.00	0.50	5.00
Issued during the year	1,999.06	19,990.63	-	-
Outstanding at the end of the year	1,999.56	19,995.63	0.50	5.00

(b) Terms/rights attached to equity shares:

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

	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Adani Ports and Special Economic Zone Limited, the holding company and its nominee		
19,99,56,300 equity shares (Previous year 50,000) of ₹ 10 each	19,995.63	5.00

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

Particulars	As at March 31, 2017 ₹ in Lacs		As at March 31, 2016 ₹ in Lacs	
	No in Lacs	%	No in Lacs	%
Equity shares of ₹ 10 each fully paid				
Adani Ports and Special Economic Zone Limited, the holding company and its nominee	1,999.56	100.00%	0.50	100.00%

8 Other Equity

	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Retained Earnings		
Opening Balance	(341.36)	-
Add : (Loss) for the year / period	(193.81)	(341.36)
Closing Balance	(535.17)	(341.36)
TOTAL	(535.17)	(341.36)

9 Borrowings

	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Non-Current		
Term loans		
Inter Corporate Deposit (refer note a) (Unsecured)	57,110.96	2,695.25
TOTAL	57,110.96	2,695.25
Current		
Bills under foreign currency letter of credits from a bank (refer note b) (secured)	-	12,044.35
Total current borrowing	-	12,044.35
Less: Amount classified under "other current liabilities"	-	(12,044.35)
Net current borrowing	-	-
The above amount includes		
Secured borrowings	-	12,044.35
Unsecured borrowings	57,110.96	2,695.25
Total borrowings	57,110.96	14,739.60

Notes:

(a) The Inter Corporate Deposits are interest bearing @ 11% per annum. The amounts are borrowed in installments and repayment schedule will be mutually agreed between the borrower and lender although loan has maturity of 10 years. The borrowings also includes an amount of ₹ 34.46 lacs as a consideration against purchase of goods and services.

(b) Loans including Bills under suppliers credit are secured on pari passu basis by first mortgage of all the immovable assets of the Company, both present and future and are further secured by hypothecation of immovable assets, both present and future of the Company. The security creation against the borrowings was outstanding as at March 31, 2016 and during the financial year 2016-2017, the borrowings were repaid.

Adani Vizhinjam Port Private Limited

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

10 Other Financial Liabilities	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Current		
Current maturities of long term borrowings (refer note 9)	-	12,044.35
Interest accrued and due on borrowings	940.86	39.90
Other Deposit	0.55	-
Capital creditors, retention money and other payable	2,280.55	317.97
TOTAL	3,221.96	12,402.22
11 Net employee defined benefit liabilities		
Non-current		
Provision for gratuity (refer note 22)	26.12	-
	26.12	-
Current		
Provision for gratuity (refer note 22)	0.45	-
Provision for compensated absences	39.99	-
	40.44	-
12 Other Liabilities		
Non Current		
Advance against Funded Works (refer note below)	14,630.00	-
Interest accrued but not due	675.74	-
TOTAL	15,305.74	-
Current		
Statutory liabilities	398.01	56.27
Other Advances	5.27	9.41
TOTAL	403.28	65.68
Note:-		
An advance has been received from Government of Kerala against the Funded Works of the Project under the development as per the concession agreement which includes Breakwater, Site Development and Fish landing berth etc. Out of total value of Funded Works of ₹ 146300 lacs, the company has received 10% of the value during the current financial year. Since the project, presently, is under development, the Grant has been classified as 'Advance against funded Works'. On completion of the construction of Funded Works, the total receipt against the Funded Works will be considered as Grant and will be amortised over the concession period.		
13 Trade payables		
	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Trade payables	26.94	11.44
TOTAL	26.94	11.44

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Adani Vizhinjam Port Private Limited

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

14 Finance Costs	For the year ended March 31, 2017 ₹ In Lacs	For the period July 27, 2015 to March 31, 2016 ₹ In Lacs
Interest on		
Others	0.10	5.93
Bank and other finance charges	8.66	-
TOTAL	8.76	5.93

15 Other Expenses	For the year ended March 31, 2017 ₹ In Lacs	For the period July 27, 2015 to March 31, 2016 ₹ In Lacs
Advertisement and Publicity	2.73	324.64
Rates and Taxes	156.63	-
Payment to Auditors (refer note 1 below)	3.71	1.70
Repair and Maintenance	2.85	-
Directors Sitting Fee	0.78	-
Miscellaneous Expenses	13.59	9.09
TOTAL	180.29	335.43

Note: 1

Payment to Auditor

As Auditor:

	For the year ended March 31, 2017 ₹ In Lacs	For the period July 27, 2015 to March 31, 2016 ₹ In Lacs
Audit fee	2.00	1.00
Limited review	1.35	0.70

In other Capacity

	For the year ended March 31, 2017 ₹ In Lacs	For the period July 27, 2015 to March 31, 2016 ₹ In Lacs
Certification Fees	0.35	-
Reimbursement of expenses	0.01	-

TOTAL **3.71** **1.70**

16 Income Tax

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

a) **Profit and Loss Section**

Deferred Tax

Relating to origination and reversal of temporary differences

Tax Expense reported in the Statement of Profit and Loss

	For the year ended March 31, 2017 ₹ In Lacs	For the period July 27, 2015 to March 31, 2016 ₹ In Lacs
	-	-
	-	-

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

	Balance Sheet as at		Statement of Profit and Loss	
	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs
(Liability) on Accelerated depreciation for tax purpose	5.01	-	5.01	-
Assets on unabsorbed losses	(5.01)	-	(5.01)	-
	-	-	-	-

Company has carried forward unabsorbed losses aggregating ₹ 535.17 Lacs (Previous Year ₹ Nil) under the Income Tax Act, which will get expire within 8 years by the financial year 2024-25.

Deferred tax assets has not been recognised in respect of unabsorbed losses aggregating ₹ 530.16 Lacs as they may not be used to offset taxable profits, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the company were able to recognise unrecognised deferred tax assets, the losses will reduce by ₹ 183.48 lacs.

Adani Vizhinjam Port Private Limited

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

17 Financial Instruments, Financial Risk and Capital Management :

17.1 Category-wise Classification of Financial Instruments:

₹ In Lacs

Particulars	Refer Note	As at March 31, 2017			
		Fair Value through other Comprehensive Income	Fair Value through other Profit & Loss	Amortised Cost	Carrying Value
Financial Asset					
Cash and Cash Equivalents	6	-	-	353.66	353.66
Others financial assets	4	-	-	8.82	8.82
Total		-	-	362.48	362.48
Financial Liabilities					
Borrowings	8	-	-	57,110.96	57,110.96
Trade payables	12	-	-	26.94	26.94
Other financial liabilities	9	-	-	3,221.96	3,221.96
Total		-	-	60,359.86	60,359.86

₹ In Lacs

Particulars	Refer Note	As at March 31, 2016			
		Fair Value through other Comprehensive Income	Fair Value through other Profit & Loss	Amortised Cost	Carrying Value
Financial Asset					
Cash and Cash Equivalents	6	-	-	239.29	239.29
Others financial assets	4	-	-	3.00	3.00
Total		-	-	242.29	242.29
Financial Liabilities					
Borrowings	8	-	-	2,695.25	2,695.25
Trade payables	12	-	-	11.44	11.44
Other financial liabilities	9	-	-	12,402.22	12,402.22
Total		-	-	15,108.91	15,108.91

17.2 Financial Instrument measured at Amortised Cost

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

17.3 Financial Risk objective and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations/projects. The Company's principal financial assets include loans/deposits and cash and cash equivalents.

In the ordinary course of business, the Company is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk, credit risk and liquidity risk).

The Company's risk management activities are subject to the management, direction and control of Central Treasury Team of the Adani Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Parent Company. The Group's central treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

(I) Interest rate risk

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

(II) Foreign currency risk

Exchange rate movements, particularly the Euro (EUR) against Indian Rupee (INR), have an impact on the Company's operating results. There are no foreign currency denominated monetary assets and liabilities as at March 31, 2017.

The details of unhedged exposures are given as part of Note 27.

Adani Vizhinjam Port Private Limited

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

(C) Liquidity Risk

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

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

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

Contractual maturities of financial liabilities as at March 31, 2017	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Borrowings (Refer Note 9)	-	-	-	57,110.96	57,110.96
Trade Payables (Refer Note 13)	-	26.94	-	-	26.94
Other Financial Liabilities (Refer Note 10)	-	3,221.96	-	-	3,221.96
Total	-	3,248.90	-	57,110.96	60,359.86

Contractual maturities of financial liabilities as at March 31, 2016	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Borrowings (Refer Note 9)	-	-	-	2,695.25	2,695.25
Trade Payables (Refer Note 13)	-	11.44	-	-	11.44
Other Financial Liabilities (Refer Note 10)	-	12,402.22	-	-	12,402.22
Total	-	12,413.66	-	2,695.25	15,108.91

17.4 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
Net debt (total debt less cash and cash equivalents)	60,006.20	14,869.62
Total capital	19,995.63	5.00
Total capital and net debt	80,001.83	14,874.62
Gearing ratio	75.01%	99.97%

18 Earnings per share

	March 31, 2017	March 31, 2016
	₹ in Lacs	₹ in Lacs
Profit attributable to equity shareholders of the company	(193.81)	(341.36)
Weighted average number of equity shares	1,402.49	0.50
Basic and Diluted earning per share (in ₹)	(0.14)	(682.72)

19 Capital commitments & other commitment

Capital commitments	₹ in Lacs	
Particulars	March 31, 2017	March 31, 2016
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	2,41,866.29	70,499.94

20 Contingent liabilities not provided for

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

21 Segment information

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

Adani Vizhinjam Port Private Limited

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

22 Disclosures as required by Ind AS - 19 Employee Benefits

The company has a defined gratuity plan which is unfunded . 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.

During the comparative period ended March 31, 2016, there was no employee in the Company. Accordingly, no disclosure are there for comparative period.

Gratuity

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

Particulars	₹ In Lacs
	March 31, 2017
Present value of the defined benefit obligation at the beginning of the year	-
Current service cost	3.33
Past Service Cost	-
Interest cost	1.19
Re-measurement (or Actuarial) (gain) / loss arising from:	-
- change in demographic assumptions	-
- change in financial assumptions	(4.69)
- experience variance	11.65
Benefits paid	-
Liability Transfer In	15.09
Present value of the defined benefit obligation at the end of the year	26.56

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

Contribution to	₹ In Lacs
	March 31, 2017
Present value of the defined benefit obligation at the end of the year	26.56
Fair value of plan assets at the end of the year	-
Amount recognised in the balance sheet	26.56
Net (liability)/asset - Current	(0.45)
Net (liability)/asset - Non-current	(26.12)

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

Particulars	₹ In Lacs
	March 31, 2017
Current service cost	3.33
Interest cost on benefit obligation	1.19
Total Expenses included in employee benefits expense	4.52

d) Recognised in the other comprehensive income for the year

Particulars	₹ In Lacs
	March 31, 2017
Actuarial (gain)/losses arising from	-
- change in demographic assumptions	-
- change in financial assumptions	(4.69)
- experience variance	11.65
Return on plan assets, excluding amount recognised in net interest expense	-
Recognised in comprehensive income	6.95

e) Maturity profile of Defined Benefit Obligation

Particulars	March 31, 2017
Weighted average duration (based on discounted cash flows)	9 Years

Expected Cash flows over the next (Value on undiscounted basis)	₹ In Lacs
	March 31, 2017
1 year	0.45
2 to 5 years	18.82
6 to 10 years	5.45
More than 10 years	40.20

Adani Vizhinjam Port Private Limited

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

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	
	Discount rate	
Sensitivity level	1% Increase	1% Decrease
Impact on defined benefit obligations	₹ in Lacs	₹ in Lacs
	(2.26)	2.64

Particulars	March 31, 2017	
	Salary Growth rate	
Sensitivity level	1% Increase	1% Decrease
Impact on defined benefit obligations	₹ in Lacs	₹ in Lacs
	2.63	(2.29)

Particulars	March 31, 2017	
	Attrition rate	
Sensitivity level	0.5% Increase	0.5% Decrease
Impact on defined benefit obligations	₹ in Lacs	₹ in Lacs
	(0.05)	0.05

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

Sensitivity Analysis Method

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

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

Particulars	March 31, 2017
Discount rate	7.60%
Expected rate of return on plan assets	-
Rate of escalation in salary (per annum)	7.00%
Mortality	As per table of sample mortality from India Assured Lives Mortality (2006-08)
Attrition rate	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.

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

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Adani Vizhinjam Port Private Limited

Notes to the financials Statements for the year ended March 31 , 2017

Note 24- Related Parties transactions

Particulars	Name of Company
Holding Company	Adani Ports and Special Economic Zone Ltd ('APSEZL')
Fellow Subsidiary	Karnavati Aviation Pvt Ltd The Dhamra Port Company Ltd
Key Managerial Personnel	Mr. Karan Adani - Director (w.e.f. 27.07.2015) Mr. Santosh Kumar Mohapatra - Whole time director (w.e.f. 01.04.2016) Mr. Dinesh Birla - Chief Finance Officer (w.e.f. 08.08.2016) Mr. Sanjay Majmudar - Non-Executive Director (w.e.f. 08.08.2016) Dr. Chitra Bhatnagar - Non-Executive Director (w.e.f. 08.08.2016) Mr. Daljeet Singh Sando - Company Secretary (w.e.f. 08.08.2016)

Terms and conditions of transactions with related parties

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

Notes:

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

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

Transactions	Name of Related Party	₹ in Lacs	
		March 31, 2017	March 31, 2016
Issue of Equity Shares	Adani Ports and Special Economic Zone Ltd	19,995.63	5.00
Inter Corporate Deposit	Adani Ports and Special Economic Zone Ltd	(57,110.96)	2,695.25
Interest Expense	Adani Ports and Special Economic Zone Ltd	1,700.10	44.33
Expenses Recovered	The Dhamra Port Company Ltd	23.39	-
Services Availed	Karnavati Aviation Pvt Ltd	170.82	-
Remuneration	Mr. Santosh Kumar Mohapatra	188.20	-
	Mr. Dinesh Birla	53.96	-
Sitting Fees	Mr. Sanjay Majmudar	0.39	-
	Dr. Chitra Bhatnagar	0.39	-

Closing Balance	Name of Related Party	₹ in Lacs	
		March 31, 2017	March 31, 2016
Inter Corporate Deposit Payable	Adani Ports and Special Economic Zone Ltd	57,110.96	2,695.25
Interest accrued and due	Adani Ports and Special Economic Zone Ltd	940.86	39.90
Capital Creditors	Karnavati Aviation Pvt Ltd	35.02	-
Other Current Asset	The Dhamra Port Company Ltd	23.39	-

Notes:

(i) The Company utilized Non Fund based credit limits of APSEZL for the issuance of Suppliers Letter of Credit of Nil (Previous year Euro 15.98 million) to suppliers.

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Adani Vizhinjam Port Private Limited

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

25 Disclosure on specified bank note

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

26 Capital Work in Progress includes expenditure during construction period, details of which are as follows:

Particulars	₹ in Lacs	
	As at March 31,2017	As at March 31,2016
A) Capital Work in Progress		
Opening Balance	1,567.80	-
Direct Cost		
Engineering, Procurement and Construction charges to Contractors for development of port infrastructure (including Funded Works)	42,793.54	1,055.25
Road under development		
Temporary road construction charges	-	452.25
Weigh bridge under development		
Development charges	39.52	30.15
Site Development - Building		
Office development charges	23.11	30.15
Total Capital Work in Progress (A)	44,423.97	1,567.80
B) Expenditure during construction period		
Opening Balance	1,274.49	-
Finance Cost		
Bank charges	395.93	96.40
Foreign exchange fluctuations	83.07	752.68
Interest Expenses	2,376.11	38.43
Interest Income	(160.88)	-
	2,694.23	887.51
Depreciation	8.37	-
Other Project Cost		
Soil study charges	-	110.55
Environmental Consultancy / Monitoring	191.52	-
Project consultancy expenses	41.87	226.33
	233.39	336.88
Other Expenses		
Rent expense	15.91	4.96
Rates and taxes	46.31	25.18
Repair & Maintenance	16.28	-
IT Works	18.07	-
Consultancy Service	21.99	-
Project related community development expenditure	126.80	-
Salaries, Wages & Bonus	410.21	-
Traveling and conveyance	220.24	13.98
Miscellaneous expenses	62.08	5.98
	937.90	50.10
Total Expenditure during construction (B)	5,148.37	1,274.49
C) Transfer/ Capitalised to Property, Plant and equipment (PPE) (C)	(122.93)	-
Total Capital Work In Progress (A+B+C)	49,449.41	2,842.29

27 Unhedged foreign currency exposure

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

Nature	As at March 31, 2017		As at March 31, 2016	
	Amount ₹ In Lacs	Foreign Currency In Million	Amount ₹ In Lacs	Foreign Currency In Million
Bills under Letter of Credit	-	-	12,044.35	Euro 15.975
Other Current Liabilities	-	-	27.00	Euro 0.04

Closing rates as at March 31, 2017:

INR / EURO = 69.2925

Closing rates as at March 31, 2016:

INR / EURO = ₹ 75.3950

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

28 Explanatory Notes

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

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for the year ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. These note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, the Company's date of transition to Ind AS and financial statements as at and for the year ended March 31, 2016.

28.1 Exemptions availed on the first time adoption of Ind AS 101

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following Ind AS 101 exemptions from the transition date i.e. July 27, 2015 :

(a) The Company has elected to avail exemption under Ind AS 101 to use India GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment (including assets under construction) and intangible assets as per the statement of financial position prepared in accordance with previous GAAP.

(b) The Company has elected to avail exemption under Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding and recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

(c) Estimates :

The estimates at July 27, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

> Impairment of financial assets based on the risk exposure and application of ECL model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at July 27, 2015, the date of transition to Ind AS and as of March 31, 2016.

28.2 The Company's management had previously issued its audited financial results for the year ended March 31, 2016 on April 28, 2016, that were all prepared in accordance with the recognition and measurement principles of the Companies (Accounting Standards) Rules, 2006 prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and other accounting principles generally accepted in India ('Previous GAAP'). The Company's management has now prepared the Ind AS Financial Statements for the year ended March 31, 2017 in accordance with the recognition and measurement principles laid down by the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Para 7 of the Companies (Accounts) Rule, 2015 as amended and other accounting principles generally accepted in India.

The Company has prepared a reconciliation of the amounts of net profit as reported under the Previous GAAP to those computed as per Ind AS and the same is given in note no. 28.4 and 28.5.1 below. The Company has also prepared a reconciliation of the amounts of total equity as reported under the Previous GAAP to those computed as per Ind AS and the same is given in note no. 28.3 and 28.5.2 below.

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

Particulars	Foot Note	₹ in Lacs		
		March 31, 2016 (Last period presented under IGAAP)		
		IGAAP	Adjustments	Ind AS
Assets				
Non-current assets				
Capital Work-in-Progress		2,842.29	-	2,842.29
Loans and Advances	(a)	11,671.14	(11,671.14)	-
Other Non-Current Assets	(a)	-	11,671.14	11,671.14
		14,513.43	-	14,513.43
Current assets				
Financial Assets				
Cash and Cash Equivalents		239.29	-	239.29
Others Current Financial Assets		3.00	-	3.00
Other Current Assets		82.51	-	82.51
		324.80	-	324.80
Total Assets		14,838.23	-	14,838.23
Equity and Liability				
Equity				
Equity Share Capital		5.00	-	5.00
Other Equity		(341.36)	-	(341.36)
Total Equity		(336.36)	-	(336.36)
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings		2,695.25	-	2,695.25
		2,695.25	-	2,695.25
Current Liabilities				
Financial Liabilities				
Trade Payables		11.44	-	11.44
Other Current Financial Liabilities	(a)	-	12,402.22	12,402.22
Other Current Liabilities	(a)	12,467.90	(12,402.22)	65.68
		12,479.34	-	12,479.34
Total Liabilities		15,174.59	-	15,174.59
Total Equity and Liabilities		14,838.23	-	14,838.23

28.4 Reconciliation of Statement of Profit and Loss for the period July 27 , 2015 to March 31 , 2016.

Particulars	₹ In Lacs		
	IGAAP	Adjustments	Ind AS
Expenses			
Finance Costs	5.93	-	5.93
Other Expenses	335.43	-	335.43
Total Expense	341.36	-	341.36
(Loss) Before Tax	(341.36)	-	(341.36)
Tax expense:			
Deferred tax	-	-	-
(Loss) for the year	(341.36)	-	(341.36)
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year net of tax	(341.36)	-	(341.36)

28.5 Reconciliation of total comprehensive income between previously reported (referred to as "Previous GAAP") and Ind AS for the period July 27,2015 to March 31,2016 is presented as under :-

28.5.1 Reconciliation of Total Comprehensive Income:-

Nature of Adjustments	For the period July 27 , 2015 to March 31 , 2016
(Loss) as per previous GAAP	(341.36)
Others	-
Total	-
(Loss) before OCI as per Ind AS	(341.36)
Other comprehensive Income (net of tax)	-
Total comprehensive income as per Ind AS	(341.36)

28.5.2 Reconciliation of Equity:-

Nature of Adjustments	As at March 31, 2016
Equity as per Previous GAAP	5.00
Other adjustments	-
Total adjustments	-
Equity as per Ind AS	5.00

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

- (a) Classification and fair value measurement of Financial Assets and Financial Liabilities: The Company has assessed the classification and fair valuation impact of financial assets and liabilities under Ind AS 32 / Ind AS 109 on the basis of the facts and circumstances at the transition date. The impact of fair value changes as on date of transition, is not material.
- (b) Statement of cash flows: The transition from Indian GAAP to Ind AS does not have material impact on the statement of cash flows.

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Adani Vizhinjam Port Private Limited

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

29 Standard issued but not effective:

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

(a) Amendments to Ind AS 7, Statement of Cash Flows: The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after April 01, 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

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

30 Events occurring after the Balance sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 04, 2017, there were no subsequent events to be recognized or reported that are not already disclosed.

31 The Company was incorporated on July 27, 2015, whereby the current year's statement of profit and loss is for 12 months period which is not comparable with previous period's statement of profit and loss for 8 months and 4 days.

The accompanying notes form an integral part of financials statements

As per our report of even date

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

For and on behalf of Board of Directors of
Adani Vizhinjam Port Private Limited

per Santosh Aggarwal
Partner
Membership No. 93669

Dr. Malay Mahadevia
[Director]
DIN:00064110

Karan Adani
[Director]
DIN: 03088095

Santosh Kumar Mohapatra
[Whole Time Director]
DIN:00284280

Daljeet Singh Sando
[Company Secretary]

Dinesh Birla
[Chief Financial Officer]

Place: Ahmedabad
Date: May 04, 2017

Place: Ahmedabad
Date: May 04, 2017