INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS
THE ADANI HARBOUR SERVICES PRIVATE LIMITED (Formerly known as TM HARBOUR SERVICES PRIVATE LIMITED)

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Ind AS 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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting 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 specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit, total 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 Section 143 (3) of the Act, we report, to the extent applicable that:

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

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

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer note 29 to the 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.
   iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Kolkata, 22nd May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **The Adani Harbour Services Private Limited (Formerly known as TM Harbour Services Private Limited)** ("the Company") as of 31st March, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's 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 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Kolkata, 22nd May, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

(b) The fixed assets were physically verified during the year by the management in accordance with a regular program of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.

(ii) As explained to us, inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. The Provisions of Provident Fund and Employees' State Insurance are not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax & Service Tax which have not been deposited as on 31st March, 2017 on account of disputes are given below:

Name of Statute	**Nature of Dues**	**Forum where Dispute is pending**	**Period to which the Amount Relates**	**Amount Involved (Rs. In lacs)**
The Finance Act, 1994	Service Tax	Customs Excise and Service Tax Appellate Tribunal	2014-15	124.34
Income tax Act, 1961	Income tax	Deputy Commissioner of income tax	**2011-12**	32.54

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Kolkata, 22nd May, 2017

The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services Private Limited")
Balance Sheet as at March 31, 2017

` in Lacs

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	5,664.61	6,529.70	7,390.58
(b) Financial assets				
(i) Loans	5	-	-	300.00
(ii) Other financial assets	6	0.25	0.25	0.25
(c) Other non-current assets	7	86.91	97.89	181.33
Total Non-current assets		**5,751.77**	**6,627.84**	**7,872.16**
Current assets				
(a) Inventories	8	154.15	143.22	156.62
(b) Financial assets				
(i)Investments	9	-	141.28	1,552.63
(ii)Trade receivables	10	3,041.40	275.33	261.10
(iii)Cash and Cash Equivalents	11	148.36	13.53	65.68
(iv)Bank balance other than cash and cash equivalents	12	-	3,915.00	-
(v)Loans	5	-	300.00	150.00
(vi)Other financial assets	6	0.10	80.40	-
(c) Other current assets	7	34.46	37.21	19.70
Total Current assets		**3,378.47**	**4,905.97**	**2,205.73**
Total Assets		**9,130.24**	**11,533.81**	**10,077.89**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	13	5,769.22	5,769.22	5,769.22
(b) Other equity	14	3,294.14	5,669.40	4,137.83
Total Equity		**9,063.36**	**11,438.62**	**9,907.05**
LIABILITIES				
Non-current liabilities				
(a) Provisions	15	-	5.74	4.56
(b) Deferred tax liabilities (net)	16	-	-	26.07
Total Non-current liabilities		**-**	**5.74**	**30.63**
Current liabilities				
(a) Financial liabilities				
(i) Trade payables	17	62.75	84.27	128.81
(ii) Other financial liabilities	18	-	2.42	2.42
(b) Other current liabilities	19	4.13	2.68	8.90
(c) Provisions	15	-	0.08	0.08
Total Current liabilities		**66.88**	**89.45**	**140.21**
Total liabilities		**66.88**	**95.19**	**170.84**
Total equity and liabilities		**9,130.24**	**11,533.81**	**10,077.89**

See accompanying notes to the financials statements
In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date: May 22, 2017

For and on behalf of Board of Directors of
The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services Private Limited")

Unmesh Abhyankar
Managing Director
DIN: 03040812

Ennarasu Karunesan
Director
DIN: 00200432

Abhishek Bansal
Company Secretary

Azad Somani
Chief Financial Officer

Place: Ahmedabad
Date: May 22, 2017

The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services Private Limited")
Statement of Profit and Loss for the year ended March 31, 2017

` in Lacs

	Particulars	Notes	March 31, 2017	March 31, 2016
I.	Rendering of services	20	2,945.71	2,853.73
II.	Other income	21	66.11	233.46
III.	**Total income (I + II)**		**3,011.82**	**3,087.19**
IV.	**EXPENSES**			
	Operating expenses	22	324.77	326.75
	Employee benefits expense	23	47.84	69.08
	Depreciation and amortization expense	4	865.02	864.82
	Other expenses	24	176.92	252.93
	Total expense (IV)		**1,414.55**	**1,513.58**
V.	**Profit before tax (III - IV)**		**1,597.27**	**1,573.61**
VI.	**Tax expense:**			
	(1) Current Tax	25	18.39	67.79
	(2) Adjustment of tax relating to earlier periods	25	(4.03)	26.83
	(3) Deferred Tax	25	-	(26.07)
	(4) Less: MAT credit entitlement	25	-	(26.96)
	Income tax expense		**14.36**	**41.59**
VII.	**Profit for the year (V - VI)**		**1,582.91**	**1,532.02**
VIII.	**Other Comprehensive Income**			
	Items that will not to be reclassified to profit or loss			
	Re-measurement of net on defined benefit plans		(0.19)	(0.45)
	Other Comprehensive Income for the year		**(0.19)**	**(0.45)**
IX.	**Total Comprehensive Income for the year (VII - VIII)**		**1,582.72**	**1,531.57**
X.	**Basic and diluted earnings per equity shares (in `) face value of ` 10 each**	28	**2.74**	**2.66**

See accompanying notes to the financials statements
In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date: May 22, 2017

For and on behalf of Board of Directors of
The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services Private Limited")

Unmesh Abhyankar
Managing Director
DIN: 03040812

Ennarasu Karunesan
Director
DIN: 00200432

Abhishek Bansal
Company Secretary

Azad Somani
Chief Financial Officer

Place: Ahmedabad
Date: May 22, 2017

The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services Private Limited")
Statement of Changes in Equity for the year ended March 31, 2017

` in Lacs

Particulars	Equity Share Capital	Other Equity			Total
		Retained Earning	Share Premium	Tonnage Tax Reserve (Refer note-14.2)	
Balance as at April 01, 2015	**5,769.22**	**2,408.18**	**1,153.84**	**575.81**	**9,907.05**
Profit for the year	-	1,532.02	-	-	**1,532.02**
Other Comprehensive Income for the year	-	(0.45)	-	-	**(0.45)**
Total Comprehensive Income for the year	-	**1,531.57**	-	-	**1,531.57**
Transfer to Tonnage Tax Reserve	-	(270.00)	-	270.00	**-**
Balance as at March 31, 2016	**5,769.22**	**3,669.75**	**1,153.84**	**845.81**	**11,438.62**
Profit for the year	-	1,582.91	-	-	**1,582.91**
Other Comprehensive Income for the year	-	(0.19)	-	-	**(0.19)**
Total Comprehensive Income for the year	**-**	**1,582.72**	**-**	**-**	**1,582.72**
Transfer to Tonnage Tax Reserve	-	(330.00)	-	330.00	**-**
Dividend paid	-	(3,288.45)	-	-	**(3,288.45)**
Tax paid on dividend	-	(669.53)	-	-	**(669.53)**
Balance as at March 31, 2017	**5,769.22**	**964.49**	**1,153.84**	**1,175.81**	**9,063.36**

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of Board of Directors of
The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services Private Limited")

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Partner

Unmesh Abhyankar
Managing Director
DIN: 03040812

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Director
DIN: 00200432

Abhishek Bansal
Company Secretary

Azad Somani
Chief Financial Officer

Place: Kolkata
Date: May 22, 2017

Place: Ahmedabad
Date: May 22, 2017

The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services Private Limited")
Statement of Cash Flows for the year ended March 31, 2017

` in Lacs

Particulars	March 31, 2017	March 31, 2016
Cash flow from operating activities		
Profit before tax as per statement of profit and loss	1,597.27	1,573.61
Adjustments for:		
Loss on sale / discard of fixed assets	0.12	0.14
Depreciation and amortisation	865.02	864.82
Interest income	(48.82)	(178.31)
Income from dividend	(11.26)	(36.04)
Net (gain)/loss on sale of current investments	-	(19.10)
Operating profit before working capital changes	**2,402.33**	**2,205.12**
Movements in working capital :		
(Increase)/Decrease in trade receivables	(2,766.07)	(14.23)
(Increase) in inventories	(10.93)	13.40
(Increase) in financial assets	(0.10)	
(Increase)/Decrease in other assets	2.83	9.58
Increase in trade payables	(21.52)	(44.54)
Increase/(Decrease) in other liabilities	1.45	(6.22)
Increase/(Decrease) in Provisions	(6.01)	0.73
Cash generated from operations	**(2,800.35)**	**(41.28)**
Direct taxes paid (net)	(3.46)	(11.30)
Net cash flow from operating activities (A)	**(401.48)**	**2,152.54**
Cash flows from investing activities		
Purchase of fixed assets (Including capital work In progress and capital advances)	(2.47)	(4.09)
Purchase/sale of investment in Mutual Fund (net)	141.28	1,430.45
Interest received	129.22	97.91
Income from dividend	11.26	36.04
Loan realised	300.00	150.00
Investment in Fixed deposits	3,915.00	(3,915.00)
Net cash inflow (used in) investing activities (B)	**4,494.29**	**(2,204.69)**
Cash flows from financing activities		
Dividend paid (Including DDT)	(3,957.98)	-
Net cash flow (used in) financing activities (C)	**(3,957.98)**	**-**
Net increase / (decrease) in cash & cash equivalents (A + B + C)	134.83	(52.15)
Cash & cash equivalents at the beginning of the year	13.53	65.68
Cash & cash equivalents at the end of the year (Refer note-10)	**148.36**	**13.53**

Notes:

Component of Cash and Cash equivalents		
Cash on hand	-	0.19
Balances with scheduled bank		
On current accounts	148.36	13.34
Total cash and cash equivalents (Refer note-10)	**148.36**	**13.53**

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

See accompanying notes to the financials statements
In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of Board of Directors of
The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services Private Limited")

Abhijit Bandyopadhyay
Partner

Unmesh Abhyankar
Managing Director
DIN: 03040812

Ennarasu Karunesan
Director
DIN: 00200432

Abhishek Bansal
Company Secretary

Azad Somani
Chief Financial Officer

Place: Kolkata
Date: May 22, 2017

Place: Ahmedabad
Date: May 22, 2017

1 Corporate information

The Adani Harbour Services Private Limited (Formerly know as TM Harbour Services Private Limited) ('TAHSPL', ' the Company'), is a wholly owned subsidiary of Adani Ports and Special Economic Zone Limited wef November 8, 2016. The principal activity of the company is to own, acquire, purchase, charter, hire, equip, operate and maintain ships, tugs, barges, boats, supply vessels, offshore support vessels, etc. and barges for river and provide marine services for ports, harbours, oil installations, and other industries.

The Commercial operations of the company were commenced from September 2, 2010.

2 Significant accounting policies

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.
For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. Refer to note 3.1 for information on how the Company adopted Ind AS

2.2 Basis of preparation

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

2.3 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

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

All other assets are classified as non-current.

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

The Company classifies all other liabilities as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Inventories

Stores and Spares:
Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis. Cost of stores and spares lying in bonded warehouse includes custom duty accounted for on an accrual basis.
Necessary provision is made and charged to revenue in case of identified obsolete and non-moving items. Cost of Inventories is generally ascertained on "weighted average" basis.

c) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

d) Property, plant and equipment (PPE)

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

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

Depreciation or amortization is provided so as to write off, on a straight-line basis, the cost of property, plant and equipment to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

Depreciation on assets under construction commences only when the assets are ready for their intended use.

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

Type of Assets	**Estimated Life**
Ships (1)	10 - 14 years
Plant and Equipment	10 Years
Office Equipment	5 Years
Furniture and Fixtures	10 Years
Vehicles	10 Years
Computers	3 Years

(1). The Company has componentised its fixed assets considering the cost of component being significant to the total cost of the asset and having different useful life. Accordingly, few components of ship have been identified having useful life other than those prescribed in part C of Schedule II of the Companies Act, 2013, whose useful life have been derived based on technical advise taking into account the nature of the assets, the estimated uses of the assets, the operating condition of the asset, past history of replacement, anticipated technological changes, manufacturing warranties, maintenance support etc.

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

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

e) Revenue Recognition

Revenue is recognised for amounts the Company expects to be entitled to in exchange for transferring promised goods and services to a customer excluding amounts collected on behalf of third parties. Revenue from contracts with customers is recognised when the Company satisfies the performance obligation identified in the contract through transfer of control of the promised goods and services.

Contract with a customer is accounted for when all the following criteria are met:

- the parties to the conteact have approved the contract and acommitted to perform their respective obligation;
- each party's right regarding the goods or services to be transfered are identifiable.
- payment terms for the goods or services to be transfered are identifiable.
- the contract has commercial substance (i.e. the risk, timing or amount of the entity's futue cash flows is expected to change as a result of the contract and
- it is probable that the entity will collect the consideration to which it is be entitled in exchange for the goods or services that will be transfered to the customer.

Dividend

Dividend is recognised when the share holders' right to receive payment is established on the balance sheet date.

Interest Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

f) Employees Retirement Benefits

Retirement benefit costs and termination benefits

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

g) Investments

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

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) Earnings per share

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

j) Taxes

i) Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted in the country where the Company operates by the end of the reporting period.

To make the Indian Shipping Industry more competitive a tonnage tax scheme (the Scheme) for taxation of shipping profit has been introduced in the Income Tax Act,1961. A company owning at least one qualifying ship may join the scheme. The company has opted for Tonnage Tax scheme. Order approving Tonnage Tax Scheme has been issued by Income Tax Department. It is a scheme of presumptive taxation whereby the notional income arising from the operation of ship is determined based on the tonnage of the ship which is taxed at the normal rate applicable for the year. Pursuant to introduction of section 115VA under the Income Tax Act,1961, the company has opted for computation of its income from shipping activities under the tonnage tax scheme. Thus, income from the business of operating qualifying ships is assessed on the basis of deemed tonnage income of the company.

ii) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

k) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

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

l) 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.

Operational Claim provisions

Provisions for operational claims are recognised when the service is provided to the customer. Further recognition is based on historical experience. The initial estimate of operational claim related cost is revised annually.

m) Expenditure

Expenditures are accounted net of taxes recoverable, wherever applicable.

Dry dock expenditure

Dry-dock expenditure is recognized in the Statement of Profit and Loss on completion of dry-dock.

n) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

o) Financial instruments

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

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

1 Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. For financial instruments whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing of the proceeds received.

2 Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

3 Explanatory Notes

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

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

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

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

Deemed cost for property, plant and equipment, investment property and intangible assets

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

Classification of financial instruments

Classification of financial assets has been done based on the facts and circumstances existing as on as on 1st April 2015, the date of transition.

Impairment of financial assets

The Company has applied the impairment requirement of IND AS 109 retrospectively; however, as permitted by IND AS101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to IND ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by IND AS 10.

3.2 Significant accounting estimates and assumptions

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

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.

1. 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

2. Taxes

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

3. 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.

4. Fair value measurement of financial instruments

In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the 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. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note - 27.

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

3.3.1 Reconciliation of Total Comprehensive Income:-

Sr No	Nature of Adjustments	Year Ended March 31, 2016 ` in Lacs
	Profit as per previous GAAP	**1,589.86**
i)	Remeasurement cost of net defined benefit liability recognised in Other Comprehensive Income under Ind AS (refer footnote (b))	0.45
ii)	Net gain/(loss) on financial assets fair valued through statement of profit and loss (refer footnote (a))	(84.37)
iii)	Deferred tax impact on above adjustment - (ii)	26.07
	Total	**(57.85)**
	Profit for the year as per Ind AS	**1,532.01**
iv)	Other comprehensive Income (net of tax)	(0.45)
	Total Comprehensive Income as per Ind AS	**1,531.56**

3.3.2 Reconciliation of Total Equity:-

Sr No	Nature of Adjustments	As at March 31, 2016 ` in Lacs	As at April 01, 2015 ` in Lacs
	Total Equity as per Previous GAAP	**11,438.62**	**9,848.76**
i)	Net gain/(loss) on financial assets fair valued through statement of profit and loss (refer footnote (a))	-	84.37
ii)	Deferred tax impact on above adjustments	-	(26.07)
	Total Equity as per Ind AS	**11,438.62**	**9,907.06**

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

` in Lacs

	Foot-notes	March 31, 2016 (Last period presented under IGAAP)			April 01, 2015 (Date of transition)		
		IGAAP	Adjustments	Ind AS	IGAAP	Adjustments	Ind AS
ASSETS							
Non-current assets							
(a) Property, plant and equipment		6,529.70	-	6,529.70	7,390.58	-	7,390.58
(b) Non Current Financial assets		-	-	-	-	-	
(i) Loans		-	-	-	-	-	300.00
(ii) Other financial assets		0.25	-	0.25	0.25	-	0.25
(c) Other non-current assets		97.89	-	97.89	181.33	-	181.33
		6,627.84	-	**6,627.84**	**7,572.16**	-	**7,872.16**
Current assets							
(a) Inventories		143.22	-	143.22	156.62	-	156.62
(b) Financial assets		-	-	-	-	-	-
(i) Investments	a	141.28	-	141.28	1,468.27	84.36	1,552.63
(ii) Trade receivables		275.33	-	275.33	261.10	-	261.10
(iii) Cash and Cash Equivalents		13.53	-	13.53	65.68	-	65.68
(iv) Bank balance other than cash and cash equivalents		3,915.00	-	3,915.00	-	-	-
(v) Loans		300.00	-	300.00	150.00	-	150.00
(vi) Others financial assets		80.41	-	80.41	-	-	-
(c) Other current assets		37.21	-	37.21	19.70	-	19.70
		4,905.98	-	**4,905.98**	**2,121.37**	**84.36**	**2,205.73**
Total Assets		**11,533.82**	**-**	**11,533.82**	**9,693.53**	**84.36**	**10,077.89**
EQUITY AND LIABILITIES							
EQUITY							
(a) Equity share capital		5,769.22	-	5,769.22	5,769.22	-	5,769.22
(b) Other equity	a	5,669.40	-	5,669.40	4,079.54	58.30	4,137.84
Total Equity		**11,438.62**	-	**11,438.62**	**9,848.76**	**58.30**	**9,907.06**
LIABILITIES							
Non-current liabilities							
(a) Provisions		5.74	-	5.74	4.56	-	4.56
(b) Deferred tax liabilities (net)	a	-	-	-	-	26.06	26.06
		5.74	-	**5.74**	**4.56**	**26.06**	**30.63**
Current liabilities							
(a) Financial liabilities							
(i) Trade payables		84.27	-	84.27	128.81	-	128.81
(ii) Other financial liabilities		-	-	-	-	-	-
(b) Other current liabilities		5.11	-	5.11	11.32	-	11.32
(c) Provisions		0.08	-	0.08	0.08	-	0.08
		89.46	-	**89.46**	**140.21**	**-**	**140.21**
		-	**-**	**-**	**-**	**-**	**-**
Total liabilities		**95.20**	-	**95.20**	**144.77**	**26.06**	**170.84**
Total Equity and Liabilities		**11,533.82**	**-**	**11,533.82**	**9,993.53**	**84.36**	**10,077.90**

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

` in Lacs

	Foot-note	IGAAP	Adjustments	Ind AS
I. Rendering of services		2,853.73	-	2,853.73
II. Other income	a	317.81	(84.37)	233.46
III. Total Income (I + II)		**3,171.55**	**(84.37)**	**3,087.19**
IV. EXPENSES				
Operating expenses		326.75	-	326.75
Employee benefits expense	b	69.53	(0.45)	69.08
Depreciation and amortization expense		864.82	-	864.82
Other expenses		252.92	-	252.93
Total Expense (IV)		**1,514.02**	**(0.45)**	**1,513.58**
V Profit/(loss) before tax (III - IV)		**1,657.52**	**83.92**	**1,573.61**
VI Tax expense:				
(1) Current Tax		67.79	-	67.79
(2) Adjustment of tax relating to earlier periods		26.83	-	26.83
(3) Deferred Tax	a	-	(26.07)	(26.07)
(4) Less: MAT credit entitlement		(26.96)	-	(26.96)
Income tax expense		**67.66**	**(26.07)**	**41.59**
VII. Profit/(Loss) for the year (V - VI)		**1,589.86**		**1,532.02**
VIII. Other Comprehensive Income				
Items that will not to be reclassified to profit or loss in subsequent periods				
Re-measurement of net on defined benefit plans	b	-	(0.45)	(0.45)
Other Comprehensive Income for the year		**-**	**(0.45)**	**(0.45)**
IX. Total Comprehensive Income for the year (VII - VIII)		**1,589.86**	**(58.29)**	**1,531.57**

Foot notes to the reconciliation :

(a) Fair Valuation of Financial Assets and Financial Liability:

Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTPL, on the date of transition. The fair value changes are recognised in profit and loss. On transitioning to Ind AS, these financial assets have been measured at fair value which is higher than the cost as per previous GAAP, resulting in increasing in carrying value by nil as at March 31, 2016 and by ` 84.37 Lakhs as at April, 1, 2015. The corresponding deferred taxes have also been recognized as at March 31, 2016 ` nil and as at April 1, 2015 ` 26.07 Lakhs. The net effect of these changes is an increase in total equity as at March 31, 2016 of ` nil and ` 58.29 Lakhs as at April 1, 2015.

(b) Remeasurement cost of Net defined liability:

Under previous GAAP, acturial gains and losses were recognised in profit or loss. Under Ind AS, the acturial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognized in other comprehensive income. Consequently, the tax effect of the same has been recognized in other comprehensive income under Ind AS instead of profit or loss.

The acturial loss for the year ended March 31, 2016 were ` 0.45 Lakhs. This change does not effect total equity, but there is a increase in profit before tax of ` 0.45 Lakhs for the year ended March 31, 2016.

The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services Private Limited")
Notes to Financials statements for the year ended March 31, 2017
Note 4 - Property, plant and equipment

` in Lacs

Particulars	Tangible assets					
	Plant & Equipment	**Furniture & fixtures**	**Office equipments**	**Vehicles**	**Tugs**	**Total**
Cost or deemed cost						
As at April 1, 2015 *	**6.75**	**0.59**	**0.59**	**0.21**	**7,382.44**	**7,390.58**
Additions	0.25	0.27	3.59	-	-	**4.11**
Deductions/Adjustment	-	-	0.21	-	-	**0.21**
As at March 31, 2016	**7.00**	**0.86**	**3.97**	**0.21**	**7,382.44**	**7,394.48**
Additions	-	-	0.03	-	-	0.03
Deductions/Adjustment	-	-	0.23	-	-	0.23
As at March 31, 2017	**7.00**	**0.86**	**3.77**	**0.21**	**7,382.44**	**7,394.28**
Depreciation and Impairment						
As at April 1, 2015	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	0.92	0.10	0.73	0.03	863.04	864.82
Deductions/(Adjustment)	-	-	0.07	-	-	**0.07**
As at March 31, 2016	**0.92**	**0.10**	**0.66**	**0.03**	**863.04**	**864.75**
Depreciation for the year	0.88	0.14	0.93	0.03	863.04	865.02
Deductions/(Adjustment)	-	-	0.10	-	-	0.10
As at March 31, 2017	**1.80**	**0.24**	**1.49**	**0.06**	**1,726.08**	**1,729.67**
Net Block						
As at March 31, 2017	5.20	0.62	2.28	0.15	5,656.36	5,664.61
As at March 31, 2016	6.07	0.76	3.30	0.18	6,519.40	6,529.70
As at April 1, 2015	6.75	0.59	0.59	0.21	7,382.43	7,390.58

* Carrying Value considered as deemed cost.

The Adani Harbour Services Private Limited
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Notes to Financials statements for the year ended March 31, 2017

5 Loans	**March 31, 2017** ` in Lacs	**March 31, 2016** ` in Lacs	**April 01, 2015** ` in Lacs
Non Current			
Unsecured considered good			
Loans to Related Party of Former company	-	-	300.00
	-	**-**	**300.00**
Current			
Unsecured considered good			
Loans to Related Party of Former company	-	300.00	150.00
	-	**300.00**	**150.00**

6 Other Financial assets	**March 31, 2017** ` in Lacs	**March 31, 2016** ` in Lacs	**April 01, 2015** ` in Lacs
Non Current			
Security Deposits (Unsecured, considered good)	0.25	0.25	0.25
	0.25	**0.25**	**0.25**
Current			
Security and other deposits	0.10	-	-
Interest accrued on deposits and loans	-	80.40	-
	0.10	**80.40**	**-**

7 Other Assets	**March 31, 2017** ` in Lacs	**March 31, 2016** ` in Lacs	**April 01, 2015** ` in Lacs
Non Current			
Other Non Current Assets	-	0.08	0.21
Advance income tax (Net of Provision for taxation: ` 111.77 Lakhs) (31.03.2016: ` 132.67 Lakhs) (01.04.2015: ` 69.79 Lakhs)	86.91	97.81	181.12
	86.91	**97.89**	**181.33**
Current			
Prepaid Expenses	0.86	4.10	2.89
Balances with statutory/ Government authorities	6.64	6.15	16.81
MAT Credit Entitlement	26.96	26.96	
	34.46	**37.21**	**19.70**

8 Inventories	**March 31, 2017** ` in Lacs	**March 31, 2016** ` in Lacs	**April 01, 2015** ` in Lacs
Stores and spares at or below cost	154.15	143.22	156.62
Less: Provision for Dead Stock	-	-	-
	154.15	**143.22**	**156.62**

9 Investments	**March 31, 2017** ` in Lacs	**March 31, 2016** ` in Lacs	**April 01, 2015** ` in Lacs
Investments carried at Fair Value Through Profit and Loss (FVTPL)			
Current			
Investment in units of mutual funds - unquoted - At Lower of Cost and Fair Value			
In Units of ` 10 each			
Sundaram Money Fund - Regular - Daily Dividend Nil (31.03.2016: Nil) (01.04.2015: 21,90,038) Units	-	-	221.09
JP Morgan India Treasury Fund - Super Institutional Daily Dividend Reinvestment Nil (31.03.2016: Nil) (01.04.2015: 31,36,911) Units	-	-	313.97
DSP Black Rock Income Opportunities Fund - Regular Plan - Growth Nil (31.03.2016: Nil) (01.04.2015: 15,90,871) Units	-	-	356.16
In Units of ` 1000 each			
TATA Money Market Fund - Regular - Daily Dividend Nil (31.03.2016: 14,107) (01.04.2015: Nil) Units	-	141.28	-
TATA Liquid Fund - Plan A Daily Dividend Nil (31.03.2016: Nil) (01.04.2015: 18,865) Units	-	-	210.26
SBI Magnum InstaCash Fund - Regular Plan - Daily Dividend Nil (31.03.2016: Nil) (01.04.2015: 14,557) Units	-	-	243.83
SBI Magnum InstaCash Fund - Direct Plan - Daily Dividend Nil (31.03.2016: Nil) (01.04.2015: 0.033) Units	-	-	0.00
UTI Money Market Fund - institutional Plan - Daily Dividend Reinvestment Nil (31.03.2016: Nil) (01.04.2015: 20,662) Units	-	-	207.32
	-	**141.28**	**1,552.63**

10 Trade Receivables

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
Current			
Trade Receivables - (Unsecured, considered good)	3,041.40	275.33	261.10
Allowance for doubtful debts	-	-	-
	3,041.40	**275.33**	**261.10**

11 Cash and cash equivalents

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
Balances with banks:			
Balance in current account	148.36	13.34	65.66
Cash on hand	-	0.19	0.02
	148.36	**13.53**	**65.68**

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 (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016. Since the company held the cash during that period, the disclosure as per the said notifiaction is as under:

Sr. No:	Particulars	Specified Business Notes (SBNs)	Other Denomination Notes	Total
1	Opening balance as on 08.11.2016	6,500.00	2,228.00	**8,728.00**
2	Permitted Receipts	-	-	**-**
3	Withdrawal from bank	-	20,000.00	**20,000.00**
4	Deposited in bank	(6,500.00)	(11,557.00)	**(18,057.00)**
5	Permitted Payment		(10,671.00)	**(10,671.00)**
6	Clossing Balance as at 30.12.2016	-	-	-

12 Bank balances other than cash and cash equivalents

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
Deposits with original maturity over 3 months but less than 12 months	-	3,915.00	-
	-	**3,915.00**	**-**

13 Equity Share capital

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
Authorised share capital:			
8,00,00,000 Equity Shares of ` 10 each (31.03.2016: 8,00,00,000 Equity Shares of ` 10 each) (01.04.2015: 8,00,00,000 Equity Shares of ` 10 each)	8,000.00	8,000.00	8,000.00
	8,000.00	**8,000.00**	**8,000.00**
Issued, subscribed and fully paid up shares:			
5,76,92,155 Equity Shares of ` 10 each (31.03.2016: 5,76,92,155 Equity Shares of ` 10 each) (01.04.2015: 5,76,92,155 Equity Shares of ` 10 each)	5,769.22	5,769.22	5,769.22
	5,769.22	**5,769.22**	**5,769.22**

Notes:

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

	March 31, 2017		March 31, 2016	
	No in Lacs	` in Lacs	No in Lacs	` in Lacs
As the beginning of the year	576.92	5,769.22	576.92	5,769.22
New Shares Issued during the year	-	-	-	-
As the end of the year	**576.92**	**5,769.22**	**576.92**	**5,769.22**

(b) Terms/rights attached to equity shares:

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

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

(c) Shares held by holding company

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

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
Adani Ports and Special Economic Zone Limited, the holding company and its nominee			
5,76,92,155 equity shares of ` 10 each	5,769.22		
TKM Global GmbH, Germany			
4,27,98,820 equity shares of ` 10 each		4,279.88	4,279.88
International Shipping & Logistics FZE, Dubai			
1,48,93,335 equity shares of ` 10 each		1,489.33	1,489.33
	5,769.22	**5,769.22**	**5,769.22**

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

	Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Equity shares of ` 10 each fully paid				
Adani Ports and Special Economic Zone Limited, the holding company and its nominee	No in Lacs	576.92		-
	% Holding	100.00%	0.00%	0.00%
TKM Global GmbH, Germany	No in Lacs	-	427.99	427.99
	% Holding	0.00%	74.18%	74.18%
International Shipping & Logistics FZE, Dubai	No in Lacs	-	148.93	148.93
	% Holding	0.00%	25.82%	25.82%

14 Other Equity

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
Share premium			
Equity premium	1,153.84	1,153.84	1,153.84
	1,153.84	**1,153.84**	**1,153.84**
Tonnage Tax Reserve u/s 115 VT of The Income Tax Act, 1961 (Refer Note - 14.2)			
(To be utilised only for the purpose specified therein)	1,175.81	845.81	575.81
	1,175.81	**845.81**	**575.81**
Retained Earnings (Refer Note - 14.1)			
Retained Earnings	964.49	3,669.75	2,408.18
	964.49	**3,669.75**	**2,408.18**
	3,294.14	**5,669.40**	**4,137.83**

14.1 Retained Earnings

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
Balance at the beginning of the year	3,669.75	2,408.18
Profit attributable to the owners of company	1,582.91	1,532.02
Other Comprehensive Income arising from Remeasurement of defined benefit obligation	(0.19)	(0.45)
Transfer to Tonnage Tax Reserve	(330.00)	(270.00)
Dividend Paid	(3,288.45)	-
Tax on Dividend paid	(669.53)	-
Balance at the end of the year	**964.49**	**3,669.75**

14.2 Tonnage Tax Reserve u/s 115 VT of The Income Tax Act, 1961

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
Balance at the beginning of the year	845.81	575.81
Addition During the year	330.00	270.00
Balance at the end of the year	**1,175.81**	**845.81**

15 Provisions

	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
Non-current			
Provision for compensated absence	-	5.74	4.56
	-	**5.74**	**4.56**
Current			
Provision for compensated absence	-	0.08	0.08
	-	**0.08**	**0.08**

The Adani Harbour Services Private Limited
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Notes to Financials statements for the year ended March 31, 2017

16	Deferred tax liabilities/Assets (net)	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
	Deferred tax liability	-	-	26.07
		-	**-**	**26.07**

17	Trade payables	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
	Creditors for Supplies and Services	62.75	68.74	116.87
	Creditors for Accrued Wages and Salaries	-	15.53	11.94
		62.75	**84.27**	**128.81**

18	Other Financial Liabilities	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
	Current			
	Payable on Purchase of Fixed Assets	-	2.42	2.42
		-	**2.42**	**2.42**

19	Other Liabilities	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 01, 2015 ` in Lacs
	Current			
	Statutory liability	4.13	2.68	8.90
		4.13	**2.68**	**8.90**

20	Revenue from Operations	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
	Income from port related services	2,945.71	2,853.73
		2,945.71	**2,853.73**

21	Other Income	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
	Interest Income from		
	Bank deposits	34.65	134.20
	Loan to Subsidiary	5.26	44.11
	Interest on Income Tax Refund	8.14	-
	Customers and others	0.77	-
	Dividend on	-	-
	Current investments	11.26	36.04
	Unclaimed liabilities / excess provision written back	6.03	-
	Profit on sale of Mutual Fund	-	19.10
	Miscellaneous Income	-	0.01
		66.11	**233.46**

22	Operating Expenses	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
	Crew Manning Expenses	245.83	246.88
	O & M Consultancy Fees	27.77	27.77
	Victualling Expenses - Harbour Crew	24.40	24.05
	Other Expenses	26.77	28.05
		324.77	**326.75**

23	Employee benefit expense	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
	Salaries and Wages	46.31	67.16
	Contribution to gratuity fund	0.77	0.95
	Staff Welfare Expenses	0.76	0.97
		47.84	**69.08**

24	Other Expenses	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs
	Rates and Taxes	0.03	0.03
	Insurance	20.14	23.10
	Repairs and Maintenance	31.45	39.40
	Legal and Professional Expenses	17.20	14.69
	Payment to Auditors (refer note 1 below)	6.37	6.52
	Communication Expenses	1.28	0.48
	Travelling and Conveyance	6.67	8.39
	Directors Sitting Fee	4.37	3.12
	CSR Expenses (refer note 31)	22.00	14.16
	Consumption of Stock	33.22	98.72
	Vessel Survey and Certification Expenses	13.99	3.00
	Loss on sale / discard of fixed assets	0.12	0.14
	Miscellaneous Expenses	20.08	41.18
		176.92	**252.93**

The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services Private Limited")
Notes to Financials statements for the year ended March 31, 2017

Note: 1

Payment to Auditor	**March 31, 2017** ` in Lacs	**March 31, 2016** ` in Lacs
As Auditor:	**6.00**	**3.28**
In other Capacity		
Certification Fees	0.35	-
Other Services	-	3.24
Reimbursement of expenses	0.02	-
	6.37	**6.52**

25 **Income Tax**

(a) 'The major components of income tax expenses for the years ended March 31, 2017 and March 31, 2016

Statement of profit and loss	**March 31, 2017** ` in Lacs	**March 31, 2016** ` in Lacs
Current tax:		
In respect of current year	18.39	67.79
Adjustment in respect of current income tax of previous years	(4.03)	26.83
Deferred Tax:		
Relating to origination and reversal of temporary differences	-	(26.07)
MAT credit entitlement:	-	(26.96)
Income tax expenses reported in statement of profit and loss	**14.36**	**41.59**

(b) The Income tax expenses for the year can be reconsiled to the accounting profit as follows:	**March 31, 2017** ` in Lacs	**March 31, 2016** ` in Lacs
Profit before tax from continuing operations	1,597.27	1,573.61
Income tax expenses calculated at 34.61% (2015-16: 34.61%)	552.82	544.63
Effect of Expenses that are not deductible in determining taxable profit	(552.82)	(544.64)
Income taxed at lower rate	18.39	67.79
Adjustment of tax related to earlier period	(4.03)	26.83
Current tax u/s 115 JB of The Income Tax Act, 1961 net off credit entitlement.	-	(26.96)
Recognition of previously unrecognised credits for Deferred tax assets	-	(26.07)
Income rax expenses recognised on profit and loss (relating to continuing operations)	**14.36**	**41.59**

The tax rate used for 2016-17 and 2015-16 reconciliations above is the corporate tac rate of 34.61% payable by corporate entities in India on taxable profit under Indian Tax Law.

26 **Fair Value Measurement**

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

` in Lacs

Particulars	Fair Value through other Comprehensive Income	Fair Value through other Profit & Loss	Derivative instruments not in hedging relationship	Amortised Cost	Total
Financial Asset					
Trade receivables	-	-	-	3,041.40	3,041.40
Cash and Cash Equivalents	-	-	-	148.36	148.36
Others financial assets	-	-	-	0.10	0.10
	-	**-**	**-**	**3,189.86**	**3,189.86**
Financial Liabilities					
Trade payables	-	-	-	62.75	62.75
	-	**-**	**-**	**62.75**	**62.75**

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

` in Lacs

Particulars	Fair Value through other Comprehensive Income	Fair Value through other Profit & Loss	Derivative instruments not in hedging relationship	Amortised Cost	Total
Financial Asset					
Investments	-	141.28	-	-	141.28
Trade receivables	-	-	-	275.33	275.33
Cash and Cash Equivalents	-	-	-	13.53	13.53
Other Bank balance	-	-	-	3,915.00	3,915.00
Loans	-	-	-	300.00	300.00
Others financial assets	-	-	-	80.40	80.40
	-	**141.28**	**-**	**4,584.26**	**4,725.54**
Financial Liabilities					
Trade payables	-	-	-	84.27	84.27
Other Financial Liabilities				2.42	2.42
	-	**-**	**-**	**86.69**	**86.69**

The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services Private Limited")
Notes to Financials statements for the year ended March 31, 2017

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

` in Lacs

Particulars	Fair Value through other Comprehensive Income	Fair Value through other Profit & Loss	Derivative instruments not in hedging relationship	Amortised Cost	Total
Financial Asset					
Investments	-	1,552.63	-	-	1,552.63
Trade receivables	-	-	-	261.10	261.10
Cash and Cash Equivalents	-	-	-	65.68	65.68
Loans	-	-	-	150.00	150.00
	-	**1,552.63**	**-**	**476.78**	**2,029.41**
Financial Liabilities					
Trade payables	-	-	-	128.81	128.81
Other Financial Liabilities				2.42	2.42
	-	**-**	**-**	**131.23**	**131.23**

27 Fair Value hierarchy :

` in Lacs

Particulars	As at March 31, 2016			
	Level 1	Level 2	Level 3	Total
Investment		141.28		**141.28**
Total		**141.28**		**141.28**

` in Lacs

Particulars	As at April 01, 2015			
	Level 1	Level 2	Level 3	Total
Investment		1,552.63		**1,552.63**
Total		**1,552.63**		**1,552.63**

The fair value of the investments included in the Level 2 categories above have been determined in ccordance with generally accepted pricing models.

28 Earnings per share	**March 31, 2017** ` in Lacs	**March 31, 2016** ` in Lacs
Profit attributable to equity shareholders of the company	1,582.91	1,532.02
Weighted average number of equity shares	576.92	576.92
Basic and Diluted earning per share (in `)	2.74	2.66

29 Contingent liabilities not provided for:

Sr No.	Particulars	March 31, 2017 ` in Lacs	March 31, 2016 ` in Lacs	April 1, 2015 ` in Lacs
1	Various matters pending with Service Tax Authorities	124.34	-	-
2	Various matters pending with Income Tax Authorities	32.54	-	-
3	Bank Guarantee	-	144.08	139.88

Note: Future cash flows in respect of above metters are determinable only on receipt of decisions pending at various fourms/authorities.

30 Segment Information:

Information reported to Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of performances is done considering operations as a whole. Hence, Port related operations is the only reportable business segment in accordance with Ind AS - 108 Operating Segments.

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

` in Lacs

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

32 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross amount required to be spent by the company during the year is ` 21.97 Lakhs
b) Amount spent during the year on :-

` in Lacs

Sl. No.	Particulars	In Cash	Yet to be paid in Cash
1	Contribution made to TATA Steel Skill Development Society	5.10	-
2	Contribution made to TATA Chemicals Limited	2.75	-
3	Contribution made to Adani Foundation	14.15	-
	Total	22.00	-

33 Personnel Cost:

The company does not have any employee at year end. The management and administrative functions of the Company are being managed by Adani Ports and Special Economic Zone Limited, the holding company. Since there is no employee, the requirement of disclosure of defined gratuity plan as required under Ind AS -19 is not applicable and accordingly no disclosure made.

34 Capital Management:

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

35 Financial Risk objective and policies

The Company's risk management activities are subject to the management direction and control under the framework of Risk Management Policy as approved by the Board of Directors of the Company. The Management ensures appropriate risk governance framework for the Company through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

In the ordinary course of business, the Company is exposed to Market risk, Credit risk, and Liquidity risk.

Market Risk

1). Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the copmany has no outstanding debt, the desclosure of such risk is not applicable.

2). Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. As the copmany has no foreign currency exposure, the disclosure of such risk is not applicable.

Credit Risk

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

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

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

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

Liquidity risk

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

1). Maturities of financial liabilities

The tables below analyze the company's financial liabilities into relevant maturity groupings based on their contractual maturities.
The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(` in Lacs)

Contractual maturities of financial liabilities as at March 31, 2017	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year	Total Value
Trade payables	62.75	-	-	-	**62.75**
Total	**62.75**	**-**	**-**	**-**	**62.75**

(` in Lacs)

Contractual maturities of financial liabilities as at March 31, 2016	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year	Total Value
Trade payables	84.27	-	-	-	**84.27**
Other financial liabilities	2.42	-	-	-	**2.42**
Total	**86.69**	**-**	**-**	**-**	**86.69**

(` in Lacs)

Contractual maturities of financial liabilities as at April 1, 2015	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year	Total Value
Trade payables	128.81	-	-	-	**128.81**
Other financial liabilities	-	2.42	-	-	**2.42**
Total	**128.81**	**2.42**	**-**	**-**	**131.23**

36 During the year, the Board of Directors of the Company has approved the scheme of arrangement entered between the Company and its holding company, Adani Ports and Special Economic Zone Limited (APSEZL), fellow subsidiary company, Adani Hazira Port Private Limited (AHPPL) and Adani Petronet (Dahej) Port Private Limited (APDPPL) whereby it is proposed to transfer Marine Business to the copmany. The Scheme is subject to the approval of creditors, shareholders and National Company Law Tribunal ('NCLT'). Pending aforesaid approvals, the Company has not taken effect of the draft scheme in financial results for the quarter and year ended March 31, 2017.

The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services Private Limited")
Notes to the financials Statements for the year ended March 31, 2017

Note - 37
Related Parties transactions

Sl. No.	Name of the related party	Nature of relationship
(a)	Adani Ports and Special Economic Zone Limited (from 08.12.2016)	Holding Company
(b)	TATA Steel Limited (upto 07.12.2016)	Ultimate Holding Company
(c)	TM International Logistics Limited (upto 07.12.2016)	Intermediate Holding Company
(d)	TKM Global Logistics Limited (upto 07.12.2016)	Intermediate Holding Company
(e)	TKM Global GmbH (upto 07.12.2016)	Holding Company
(f)	International Shipping and Logistics FZE (upto 07.12.2016)	Fellow Subidiary holding more than 20% Equity
(g)	The Dhamra Port Company Limited (from 08.12.2016)	Fellow Subidiary
(h)	**Key Managerial Persons :-**	
	Mr. Unmesh Abhyankar (wef 08.02.2017)	Managing Director
	Mr. R N Murthy (upto 08.12.2016)	Managing Director
	Mr. Azad Somani (wef 23.12.2016)	Chief Financial Officer
	Mr. Anand Chand (upto 22.12.2016)	Chief Financial Officer
	Mr. Abhishek Bansal (wef 23.12.2016)	Company Secretary
	Mrs. Swati Sheth (upto 22.12.2016)	Company Secretary

(` in Lacs)

Sl. No.	Name of the related party	Nature of transaction	Transaction for year ended March, 2017	Transaction for year ended March, 2016
(a)	The Dhamra Port Company Limited	Sale of port related services	926.99	-
(b)	TKM Global Logistics Limited	Repayment of Loan by Intermediary Holding Company	300.00	150.00
(c)	TM International Logistics Limited	Reimbursement Paid	57.97	18.33
(d)	TKM Global Logistics Limited	Interest Income	5.26	44.06
(e)	International Shipping and Logistics FZE	Directors' Nomination Fees Received	-	3.00
(f)	International Shipping and Logistics FZE	Directors' Nomination Fees Received	-	3.00
(g)	TKM Global GmbH	Dividend paid	2,439.53	-
(h)	International Shipping and Logistics FZE	Dividend paid	848.92	-

(` in Lacs)

Sl. No.	Name of the related party	Nature of outstanding balance	As at March, 2017	As at March, 2016
(a)	The Dhamra Port Company Limited	Accounts receivables	3,041.40	-
(b)	TKM Global Logistics Limited	Loan Given	-	300.00
(c)	TM International Logistics Limited	Accounts receivables	-	6.13

Note - The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised as bad or doubtful debts in respect of the amounts owed by related parties.

The Adani Harbour Services Private Limited
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Notes to Financials statements for the year ended March 31, 2017

38 Previous period's figures have been recast, regrouped and rearranged, wherever necessary to conform to this year's classification. Further, the figures have been rounded off to the nearest rupee.

39 **Approval of Financial Statements:**
The financial statements were approved for issue by the board of directors on 22nd May, 2017.

The accompanying notes form an integral part of financials statements
In terms of our report attached

For Deloitte Haskins & Sells	**For and on behalf of Board of Directors of The Adani Harbour Services Private Limited (Formerly known as "TM Harbour Services Private Limited")**	
Chartered Accountants		
Abhijit Bandyopadhyay Partner	**Unmesh Abhyankar** Managing Director DIN: 03040812	**Ennarasu Karunesan** Director DIN: 00200432
	Abhishek Bansal Company Secretary	**Azad Somani** Chief Financial Officer
Place: Kolkata **Date: May 22, 2017**	**Place: Ahmedabad** **Date: May 22, 2017**	