

INDEPENDENT AUDITOR'S REPORT
To The Members of Adani Hazira Port Private Limited
Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Adani Hazira Port Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

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, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 and the Order issued under section 143(11) of the Act.

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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its changes in equity and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 Statement of Changes in Equity and the Statement of Cash Flow 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 of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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.

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
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 LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date: May 02, 2018

**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 Adani Hazira Port Private Limited ("the Company") as of 31st March, 2018 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 Ind AS 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 Ind AS 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, 2018, 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 LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date: May 02, 2018

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) In respect of fixed assets :
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme 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) According to the information and explanations given to us, the Company has developed port and related infrastructure facilities under a concession agreement for a period of 30 years and are presented as Property, Plant and Equipment in accordance with the applicable accounting standards. The Company does not have any immovable properties of acquired freehold or leasehold land and building and hence reporting under clause (i)(c) of paragraph 3 of the Order is not applicable.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause (iii) (a), (b) and (c) of Paragraph 3 of the Order are not applicable to the Company and hence, not commented upon.
- (iv) The Company has not granted any loans and provided guarantees under section 185 of the Companies Act, 2013. Further, based on the information and explanations given to us, the Company has complied with the provisions of sections 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 deposits from the public to which the directives issued by the Reserve Bank of India and the provision of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the Company is not required to maintain cost records pursuant to Companies (Cost Records and Audit) Rules, 2014, as

amended, prescribed 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 Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax and Service tax which have not been deposited as on 31st March, 2018 on account of disputes are given as below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. In Lacs)	Amount Unpaid (Rs. In lacs)
Finance Act, 1994	Service Tax	The Commissioner of Service Tax, Ahmedabad	October 2010 to March 2014	885.00	885.00
		The Commissioner of Service Tax, Ahmedabad	2014 – 15	480.00	480.00
		The Commissioner of Service Tax, Ahmedabad	2015 – 16	529.12	529.12
Income Tax Act, 1961	Income Tax	CIT (Appeal)	FY 2011 – 12	5.23	5.23

There are no dues of Excise Duty, Sales Tax, Value Added Tax and Goods and Service Tax as at 31st March, 2018 on account of disputes.

- (viii) In our opinion and according to the information and explanations given to us, as at the reporting date, the Company has not defaulted in the repayment of borrowings to bank. The Company has not issued any debentures and has not taken any loans from government or financial institutions.

- (ix) In our opinion and according to the information and explanations given to us, and on an overall examination of the balance sheet, monies raised by way of term loans has been applied by the Company during the year for the purpose for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not required.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 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 Ind AS 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 Paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with its directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013.
- (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 LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date: May 02, 2018

Adani Hazira Port Private Limited
Balance Sheet as at March 31, 2018

		₹ in Lacs	
Particulars	Notes	As at March 31, 2018	As at March 31, 2017
Assets			
Non-Current Assets			
Property, Plant and Equipment	3(a)	2,79,753.78	3,24,032.07
Capital Work-in-Progress	3(c)	5,234.83	11,154.82
Other Intangible Assets	3(b)	1,898.88	2,091.58
Financial Assets			
(i) Investments	4	2,420.00	2,420.00
(ii) Loans	6	-	3.70
(iii) Other Financial Assets	7	87.38	80.46
Other Non-Current Assets	8	6,862.86	3,457.80
		2,96,257.73	3,43,240.43
Current Assets			
Inventories	9	3,147.01	3,809.76
Financial Assets			
(i) Investments	4	-	511.32
(ii) Trade Receivables	5	18,358.69	19,198.87
(iii) Customers' Bills Discounted	5	1,991.94	-
(iv) Cash and Cash Equivalents	10	1,520.29	3,085.56
(v) Bank Balance other than (iv) above	10	25,009.95	9.29
(vi) Other Financial Assets	7	17,935.01	15,964.31
Other Current Assets	8	14,469.89	14,630.25
		82,432.78	57,209.36
Total Assets		3,78,690.51	4,00,449.79
Equity and Liabilities			
Equity			
Equity Share Capital	11	71,547.00	71,547.00
Other Equity	12	87,380.27	73,251.37
Total Equity attributable to Equity Holders of the Company		1,58,927.27	1,44,798.37
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	13	1,85,527.61	2,14,383.97
Deferred Tax Liabilities (net)	25	2,936.02	5,848.65
Other Non-Current Liabilities	15	5,340.73	8,110.62
		1,93,804.36	2,28,343.24
Current Liabilities			
Financial Liabilities			
(i) Customers' Bills Discounted	13	1,991.94	-
(ii) Trade and other Payables	16	5,149.74	6,720.38
(iii) Other Financial Liabilities	14	13,856.66	13,741.39
Provisions	18	187.76	222.66
Liabilities for Current Tax (net)	17	480.01	2,750.85
Other Current Liabilities	15	4,292.77	3,872.90
		25,958.88	27,308.18
Total Liabilities		2,19,763.24	2,55,651.42
Total Equity and Liabilities		3,78,690.51	4,00,449.79

The accompanying notes form an integral part of financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Kartikeya Raval
Partner

Unmesh Abhyankar
[Director]
DIN: 03040812

Sandeep Mehta
[Managing Director]
DIN: 00897409

Manoj Chanduka
[Company Secretary]

Anand Singhal
[Chief Financial Officer]

Place: Ahmedabad
Date: May 02, 2018

Place: Ahmedabad
Date: May 02, 2018

Adani Hazira Port Private Limited
Statement of Profit and Loss for the year ended March 31, 2018

₹ in Lacs

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue from Operations	19	96,223.18	1,03,662.68
Other Income	20	3,890.67	4,328.29
Total Income		1,00,113.85	1,07,990.97
Expenses			
Operating Expenses	21	19,805.42	18,769.85
Employee Benefits Expense	22	3,113.09	2,822.49
Depreciation and Amortization Expense	3(a,b)	16,245.19	18,291.12
Foreign Exchange (Gain) (net)		(673.89)	(2,025.82)
Finance Costs			
(i) Interest and Bank Charges	23	11,607.20	13,665.85
(ii) Derivative (Gain) / Loss (net)	23	(467.21)	1,056.17
Other Expenses	24	3,926.91	3,980.80
Total Expense		53,556.71	56,560.46
Profit Before Tax		46,557.14	51,430.51
Tax Expense:			
Current Tax	25	9,923.38	11,022.59
Deferred Tax	25	4,334.41	9,065.59
Less : Tax (credit) under Minimum Alternative Tax (MAT)	25	(9,669.68)	(15,611.43)
Income Tax Expense		4,588.11	4,476.75
Profit for the year		41,969.03	46,953.76
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans		15.32	45.58
Income Tax Impact (charge)		(5.30)	(15.77)
Total Other Comprehensive Income (net of tax)		10.02	29.81
Total Comprehensive Income for the year		41,979.05	46,983.57
Earnings per Share - (Face value of ₹ 10 each)			
Basic and Diluted (in ₹)	27	5.87	6.56

The accompanying notes form an integral part of financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Kartikeya Raval
Partner

Unmesh Abhyankar [Director]
DIN: 03040812

Sandeep Mehta [Managing Director]
DIN: 00897409

Manoj Chanduka [Company Secretary]
Anand Singhal [Chief Financial Officer]

Place: Ahmedabad
Date: May 02, 2018

Place: Ahmedabad
Date: May 02, 2018

Adani Hazira Port Private Limited
Statement of Changes in Equity for the year ended March 31, 2018

Particulars	₹ in Lacs		
	Equity Share Capital	Other Equity Reserves and Surplus Retained Earning	Total
Balance as on April 01, 2016	71,547.00	26,267.80	97,814.80
Profit for the year	-	46,953.76	46,953.76
Other Comprehensive Income			
Re-measurement (losses) on defined benefit plans (net of tax)	-	29.81	29.81
Total Comprehensive Income for the year		46,983.57	46,983.57
Balance as on March 31, 2017	71,547.00	73,251.37	1,44,798.37
Loss on disposal of assets / settlement of liabilities attributable to marine business undertaking adjusted from Opening Reserve (refer note 38)	-	(22,270.13)	(22,270.13)
Profit from marine business undertaking transferred from Opening Reserve (refer note 38)	-	(5,580.02)	(5,580.02)
Profit for the year (A)	-	41,969.03	41,969.03
Other Comprehensive Income			
Re-measurement gains / (losses) on defined benefit plans (net of tax) (B)	-	10.02	10.02
Total Comprehensive Income for the year (A+B)		41,979.05	41,979.05
Balance as at March 31, 2018	71,547.00	87,380.27	1,58,927.27

The accompanying notes form an integral part of the financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Kartikeya Raval
Partner

Unmesh Abhyankar
[Director]
DIN: 03040812

Sandeep Mehta
[Managing Director]
DIN: 00897409

Place: Ahmedabad
Date: May 02, 2018

Manoj Chanduka
[Company Secretary]

Anand Singhal
[Chief Financial Officer]

Adani Hazira Port Private Limited
Statement of Cash Flows for the year ended March 31, 2018

₹ in Lacs

Particulars	March 31, 2018	March 31, 2017
(A) Cash Flows from Operating Activities		
Profit Before Tax	46,557.14	51,430.51
Adjustments for:		
Profit on sale of Property, Plant and Equipment (net)	-	(3.52)
Unclaimed Liabilities/Excess Provision Written Back	(0.24)	(36.37)
Allowances for doubtful debt / Diminution in Investment value written back	-	(5.00)
Depreciation and Amortisation Expense	16,245.19	18,291.12
Interest Income	(2,913.23)	(3,418.19)
Profit on Sale of Current Investments	(257.85)	(157.32)
Effect of exchange rate change	42.90	-
Interest Expense	11,607.20	9,652.44
Derivative (Gain)/Loss	(467.21)	1,056.17
Allowances for doubtful debts	40.48	141.35
Amortisation of Government Grant	(470.67)	(587.09)
Loss on sale / discard of fixed assets (net)	35.56	-
Operating Profit before Working Capital Changes	70,419.27	76,364.10
Adjustment for :		
Decrease/(Increase) in Trade Receivables	799.70	(3,616.56)
Decrease/(Increase) in Inventories	629.38	(1,699.50)
(Increase) in Financial Assets	(13,354.48)	(3,130.94)
Decrease/(Increase) in Other Assets	169.02	(5,540.67)
(Decrease)/Increase in Trade Payables	(1,570.41)	2,515.45
Increase in Other Liabilities	483.88	1,094.70
Increase/(Decrease) in Financial Liabilities	1,910.08	(514.13)
Cash generated from Operations	59,486.44	65,472.45
Direct Taxes paid (Net of Refunds)	(8,768.36)	(8,368.29)
Net Cash generated from Operating Activities	50,718.08	57,104.16
(B) Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipments (including capital work In progress and capital advances)	(11,107.63)	(32,466.18)
Proceeds from Sale of Property, Plant and Equipment	18.17	8.03
Proceeds from transfer of Marine Business Undertaking (refer note 38)	22,500.00	-
Loan received back	3.70	-
Sale of investment in Subsidiaries	-	5.00
Sale/(Purchase) of investment in Mutual Fund (net)	769.17	(346.28)
Interest Received	856.32	1,810.27
(Deposits in) / Proceeds from Fixed Deposits (net)	(25,000.66)	18,499.11
Net Cash (used in) Investing Activities	(11,960.93)	(12,490.04)
(C) Cash Flows from Financing Activities		
Proceeds from Long-Term Borrowing	81,201.00	2,52,193.06
Repayment of Long-Term Borrowings	(1,15,507.61)	(2,87,599.19)
Interest & Finance Charges Paid	(6,015.81)	(7,448.01)
Net Cash (used in) Financing Activities	(40,322.42)	(42,854.14)
Net (Decrease)/Increase in Cash & Cash Equivalents (A + B + C)	(1,565.27)	1,759.96
Cash and Cash Equivalents at the beginning of the year (Refer note-10)	3,085.56	1,325.60
Cash and Cash Equivalents at the end of the year (Refer note-10)	1,520.29	3,085.56
Component of Cash and Cash equivalents		
Cash on hand	0.23	0.31
Balances with scheduled bank		
On current accounts	1,520.06	3,085.25
Cash and Cash Equivalents at the end of the year	1,520.29	3,085.56

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

(2) Purchase of investment in Mutual Fund of ₹ 89,606.00 Lacs (previous year ₹ 79,270.00 Lacs) and sale of Mutual Fund of ₹ 90,375.17 Lacs (previous year ₹ 78,923.72 Lacs).

(3) Investment in bank deposit of ₹ 64,685.15 Lacs (Previous Year ₹ 4,010.00 Lacs) and realisation/maturity in bank deposit of ₹ 89,239.00 Lacs (Previous Year ₹ 23,822.89 Lacs)

(4) Disclosure under para 44A as set out in Ind AS 7 on Statement of Cash Flows under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given as per note 14(a).

The accompanying note form an integral part of the financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Kartikeya Raval
Partner

Unmesh Abhyankar [Director]
DIN: 03040812

Sandeep Mehta [Managing Director]
DIN: 00897409

Manoj Chanduka [Company Secretary] **Anand Singhal** [Chief Financial Officer]

Place: Ahmedabad
Date: May 02, 2018

Place: Ahmedabad
Date: May 02, 2018

Adani Hazira Port Private Limited
Notes to the Financial Statements for the year ended March 31, 2018

1 Corporate information

The financial statements comprise financial statements of Adani Hazira Port Private Limited (the "Company, AHPL") for the year ended March 31, 2018. Adani Hazira Port Private Limited ('the Company', 'AHPL') was incorporated on December 7, 2009 as a 100% subsidiary of Adani Ports & Special Economic Zone Limited. The Company has developed/developing Bulk / General Cargo Terminal(s) and associated infrastructure facilities at Hazira in terms of Bulk / General Cargo Terminal Agreement (BGCTA or Sub-concession) dated November 25, 2010 entered between Hazira Port Private Limited (Licensor), the Company (Licensee) and Gujarat Maritime Board (GMB). The Sub-concession agreement is as per the concession agreement between the licensor, GMB and Government of Gujarat (GoG) on April 22, 2002 for development and construction of port facilities at Hazira in the phased manner. The Port facilities are being developed under design, construct, own, maintain and operate basis under the Sub-Concession Agreement, which would be effective over the balance term of the Concession agreement of 30 years from March, 2005. The commercial operation of the port facilities were commenced from February, 2013 although company continue to expand the port infrastructure.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 02, 2018.

2 Basis of preparation

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

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

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

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

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Financial statements for the year ended March 31, 2017 were audited by predecessor auditors - S R B C & Co LLP.

2.2 Summary of significant accounting policies

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

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

b) Foreign Currency Translation

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

Transactions and balances

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

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

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exceptions for which below treatment is given as per the option availed under Ind AS 101 :

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

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

c) Fair value measurement

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

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

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

Adani Hazira Port Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

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

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

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

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

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

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

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

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative financial instruments and unquoted financial assets measured at fair value and for non recurring fair value measurement, such as an assets under the scheme of business undertaking.

External valuers are involved for valuation of significant assets, such as business undertaking for transfer under the scheme and unquoted financial assets and financial liabilities. Involvement of external valuers is decided upon annually by the Management and in specific cases after discussion with and approval by the Company's Audit Committee. 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 Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

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

- Disclosures for valuation methods, significant estimates and assumptions (refer note 26.2)
- Quantitative disclosures of fair value measurement hierarchy (refer note 26.2)
- Property, plant and equipment under Scheme of Business Undertaking (refer note 39)
- Financial instruments (including those carried at amortised cost) (refer note 26.1)

d) Revenue Recognition

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

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

Port Operation Services

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

Income from SEIS/SFIS

Income from Services Exports from India Scheme ('SEIS') incentives under Government's Foreign Trade Policy 2015-20 and Served from India Scheme ('SFIS') under Government's Foreign Trade Policy 2009-14 on the port services income are classified as 'Other Operating Income' and is recognised based on effective rate of incentive under the scheme, provided no significant uncertainty exists for the measurability, realisation and utilisation of the credit under the scheme. The receivables related to SEIS licenses and SFIS licenses are classified as 'Other Non Financial Assets'.

Dividend

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest Income

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

e) Government Grants

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

Waterfront royalty on cargo under the concession agreement is paid at concessional rate in terms of rate prescribed by Gujarat Maritime Board (GMB) and notified in official gazette of Government of Gujarat, wherever applicable.

f) Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

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

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

Adani Hazira Port Private Limited**Notes to the Financial Statements for the year ended March 31, 2018****Deferred tax**

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

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

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

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The Company is eligible to avail benefits under section 80IA of the Income Tax Act, 1961 for a period of 10 years w.e.f FY 2017-18. In view of Company availing tax deduction under Section 80IA of the Income Tax Act, 1961, deferred tax has to be recognize in respect of temporary difference, which will reverse after the tax holiday period in the year in which the temporary difference originate and no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the temporary difference which originate first are considered to reverse first.

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

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

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

The Company recognizes tax credits in the nature of Minimum Alternate Tax (MAT) credit as an asset only to the extent that there is sufficient taxable temporary difference /convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent the Company does not have sufficient taxable temporary difference /convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

g) Property, plant and equipment (PPE)

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

The Company adjusts exchange differences arising on translation difference/settlement of long term foreign currency monetary items outstanding in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial statements i.e. March 31, 2016 and pertaining to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset. The depreciation on such foreign exchange difference is recognised from first day of the financial year.

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

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

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.

Assets	Estimated Useful Life
Leasehold Land Development	Over the balance period of Sub Concession Agreement effective from 25th November, 2010 entered with Gujarat Maritime Board and Hazira Port Private Limited.
Marine Structure, Dredged Channel, Building RCC	50 Years as per Sub-concession agreement
Fender, Buoy installed at Jetty - Marine	5 - 10 Years
Bridges, Drains & Culverts	25 Years as per Sub-concession agreement
Carpeted Roads	10 Years
Non Carpeted Roads	3 Years
Tugs - Other than outfitting items	20 Years as per Sub-concession agreement
Tug - Outfitting items	15 Years
RMQC Crane	20 Years
Dredger - Still Hull , Machinery	17 Years
Dredger - Outfitting & Dredging equipments	10-12 Years
Liquid Terminal Pipeline & Tanks	20 Years

At the end of the sub-concession agreement, all contracted immovable and movable assets shall be transferred to and shall vest in Gujarat Maritime Board ('GMB') for consideration equivalent to the Depreciated Replacement Value (the 'DRV'). Currently DRV is not determinable, accordingly, residual value of contract asset is considered to be the carrying value , based on useful life as per schedule II of the Companies Act,2013/estimated by the management at the end of Sub-concession period.

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.

Adani Hazira Port Private Limited**Notes to the Financial Statements for the year ended March 31, 2018****h) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

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

Intangible assets	Method of Amortisation	Estimated Useful Life
Software	On Straight line basis	5 Years or useful life whichever is less
Right of use to develop and operate the port facilities	On Straight line basis	Over the balance period of Sub Concession Agreement effective from 25th November, 2010 entered with Gujarat Maritime Board and Hazira Port Private Limited.

i) Borrowing Costs

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

j) Leases

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

For arrangements entered into prior to April 01, 2015 the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

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

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

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

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

Company as a lessor

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

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

k) Inventories

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

Stores and Spares: Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis. Cost of stores and spares lying in bonded warehouse includes custom duty payable.

Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.

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

l) Impairment of non-financial assets

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

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

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

Adani Hazira Port Private Limited
Notes to the Financial Statements for the year ended March 31, 2018

m) Provisions (other than employee benefits), Contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate of the amount can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of the money is material). The increase in the provisions due to passage of time is recognised as interest expense. Provisions are reviewed as at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

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.

n) Retirement and other employee benefits

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

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

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

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

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

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

o) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

Debt instruments at amortised cost

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

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

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

Debt instrument at FVTPL

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit & loss.

Derecognition

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

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

Adani Hazira Port Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

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

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

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure ;

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

b) Lease receivables under Ind AS 17

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

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

- Trade receivables; and

- All lease receivables resulting from transactions within the scope of Ind AS 17

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process except where the Company has received temporary waiver of interest not exceeding 12 month period.

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

This category generally applies to borrowings.

Derecognition

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

Reclassification of financial assets

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

Offsetting of financial instruments

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

Adani Hazira Port Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

p) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, options, and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value through profit or loss (FVTPL) on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivative financial instrument or on settlement of such derivative financial instruments are recognised in statement of profit and loss and are classified as Foreign Exchange (Gain) / Loss except those relating to borrowings, which are separately classified under Finance Cost.

q) Cash and cash equivalents

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

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

r) Earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

s) Segment Reporting

In accordance with the Ind AS 108 "Operating Segments", the Company has determined its business segment of developing, operating and maintaining the port based infrastructure facilities. Since there are no other business segments in which the Company operates, there are no other primary reportable segments. Therefore, the segment revenue, results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statements.

This space has been left intentionally blank

Adani Hazira Port Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

2.3 Significant accounting judgments, estimates and assumptions

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

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.

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.

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. Further details on taxes are disclosed in note 25.

Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in note 28.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. refer note 26 for further disclosures.

Provision for Decommissioning Liabilities

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

Useful lives of property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful lives of property, plant and equipments are described in note 2.2 (g).

This space has been left intentionally blank

Adani Hazira Port Private Limited
Notes to Financial statements for the year ended March 31, 2018
Note 3(a) - Property, plant and equipment

Particulars	₹ in Lacs										
	Building	Computer Hardware	Leasehold Land Development	Office Equipments	Plant & Machinery	Furniture & Fixtures	Vehicles	Dredged Channels	Marine Structures	Tugs and Boats	Total
Cost											
As at April 1, 2016	39,075.86	890.12	3,767.56	1,046.58	1,50,271.89	556.17	317.99	39,269.68	50,317.47	38,474.12	3,23,993.44
Additions	3,199.20	168.93	119.03	183.30	5,448.52	20.74	146.02	3,809.16	5,803.40	10,297.52	29,195.82
Deductions/(Adjustment)	-	(7.55)	-	(0.86)	(2.28)	(3.26)	-	-	-	(2,286.20)	(2,300.15)
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Exchange difference	683.83	-	56.30	-	2,590.80	-	-	567.74	1,079.65	735.98	5,714.30
As at April 1, 2017	42,958.89	1,051.50	3,942.89	1,229.02	1,58,314.93	573.65	464.01	43,646.58	57,200.52	47,221.42	3,56,603.41
Additions	1,219.51	43.94	91.74	102.84	6,095.53	41.38	55.25	1,750.12	4,343.28	-	13,747.59
Deductions/(Adjustment)	-	(0.34)	-	-	(49.82)	-	(34.34)	-	-	(46,536.65)	(46,621.15)
Borrowing	-	-	-	-	74.60	-	-	-	-	-	74.60
Exchange difference	-	-	-	-	66.36	-	-	-	-	-	66.36
As at March 31, 2018	44,178.40	1,095.10	4,034.63	1,331.86	1,64,505.60	615.03	484.92	45,396.70	61,543.80	684.77	3,23,870.81
Depreciation/amortisation											
As at April 1, 2016	1,573.02	228.94	181.09	241.14	8,358.76	54.74	51.00	897.06	1,300.33	2,256.08	15,142.16
Depreciation for the year	1,995.64	241.42	190.50	267.27	9,938.64	68.06	62.63	961.79	1,411.37	2,951.03	18,078.35
Deductions/(Adjustment)	-	(7.55)	-	(0.69)	0.89	(0.91)	-	-	-	(640.91)	(649.17)
As at April 1, 2017	3,568.66	462.81	371.59	507.72	18,298.29	121.89	113.63	1,858.85	2,711.70	4,566.20	32,571.34
Depreciation for the year	2,101.69	255.50	191.98	279.20	10,521.91	65.29	77.31	1,016.33	1,495.25	46.00	16,050.46
Deductions/(Adjustment)	-	(0.24)	-	-	(11.34)	-	(19.19)	-	-	(4,474.00)	(4,504.77)
As at March 31, 2018	5,660.35	718.07	563.57	786.92	28,808.86	187.18	171.75	2,875.18	4,206.95	138.20	44,117.03
Net Block											
As at March 31, 2018	38,518.05	377.03	3,471.06	544.94	1,35,696.74	427.85	313.17	42,521.52	57,336.85	546.57	2,79,753.78
As at March 31, 2017	39,400.23	588.69	3,571.30	721.30	1,40,016.64	451.76	350.38	41,787.73	54,488.82	42,655.22	3,24,032.07

1. Electrical installation includes costs of ₹ 588.23 lacs (March 31, 2017 : ₹ 588.23 lacs) and accumulated depreciation of ₹ 172.38 lacs (March 31, 2017 : ₹ 114.92 lacs) for setting up of 66 KVA Infrastructure facilities to enable power connection to the port facilities.
2. The Company had reclaimed total 230 hectares of land for its port activities. The Company had developed these land area through dredging activities and an amount of ₹ 1,768.33 lacs (March 31, 2017 : ₹ 1,768.33 lacs) is capitalized as leasehold land.
3. Plant and machinery includes construction equipments of Gross value of ₹ 5.47 lacs (March 31, 2017 : ₹ 5.47 lacs) and accumulated depreciation of ₹ 1.40 lacs (March 31, 2017 : ₹ 1.25 lacs), which are mainly used for construction activities.
4. Plant and machinery includes Electrical Installation of ₹ 12,271.83 lacs (March 31, 2017 : ₹ 12,271.83 lacs) and accumulated depreciation of ₹ 3,761.68 lacs (March 31, 2017 : ₹ 2,444.30 lacs).
5. The Company also provide liquid cargo storage facilities on long term lease basis. Such assets are classified as part of Plant and Equipment.
6. Refer footnote to note 13 for security / charges created on property, plant and equipment.

Particulars	Intangible assets			Total
	Software	Port Infrastructure Right		
Cost				
As at April 1, 2016	314.97	2,107.30		2,422.27
Additions	71.19	-		71.19
As at April 1, 2017	386.16	2,107.30		2,493.46
Additions	2.03	-		2.03
As at March 31, 2018	388.19	2,107.30		2,495.49
Depreciation/amortisation				
As at April 1, 2016	83.77	105.34		189.11
Depreciation for the year	107.44	105.33		212.77
As at April 1, 2017	191.21	210.67		401.88
Depreciation for the year	89.39	105.34		194.73
As at March 31, 2018	280.60	316.01		596.61
Net Block				
As at March 31, 2018	107.59	1,791.29		1,898.88
As at March 31, 2017	194.95	1,896.63		2,091.58

Note :

Plant and equipment includes tanks given on operating lease basis:

Gross Block as at March 31, 2018 - ₹ 807 Lacs (previous year - ₹ 807 Lacs)

Accumulated Depreciation for the year: ₹ 122 Lacs (previous year - ₹ 81 Lacs)

Net Block as at March 31, 2018 - ₹ 685 Lacs (Previous year - ₹ 725 Lacs)

Note 3(c) Capital Work in Progress

Particulars	₹ In Lacs
As at March 31, 2018	5,234.83
As at March 31, 2017	11,154.82

Refer note 33 for break up of Significant component in Capital Work-in-Progress

Adani Hazira Port Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

4 Investments

Non Current

Investment in equity share of subsidiary (valued at cost)

2,42,00,000 (March 31, 2017: 2,42,00,000) fully paid equity shares of ₹ 10 each of Hazira Infrastructure Pvt. Ltd.

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
2,420.00	2,420.00
2,420.00	2,420.00

Current

Financial Assets at fair value through Profit or Loss (FVTPL)

Investment in mutual funds - (unquoted)

NIL units (March 31, 2017 : 1,92,468 of ₹ 259.79 each in Birla sunlife cash plus - Growth - Direct Plan)

-	502.92
	8.40
-	511.32

NIL units (March 31, 2017 : 355.93 of ₹ 2014.84 each in Reliance Money Manager Fund - Direct Growth Plan)

Aggregate carrying value of unquoted Mutual Funds

-	511.32
---	--------

Aggregate net assets value of unquoted Mutual Funds

-	511.32
---	--------

Aggregate cost of unquoted investment

2,420.00	2,420.00
----------	----------

5 Trade Receivables

Current

Unsecured considered good unless stated otherwise

Trade Receivables

- Considered Good

6,746.61	7,666.79
----------	----------

- Considered Doubtful

230.05	189.59
--------	--------

Receivables from related parties, unsecured considered good (refer note 30)

13,604.02	11,532.07
-----------	-----------

20,580.68	19,388.45
(230.05)	(189.58)
20,350.63	19,198.87

Less : Allowances for Doubtful debts

Customer Bill Discounted (refer note c below)

1,991.94	-
----------	---

Other Trade Receivable

18,358.69	19,198.87
-----------	-----------

Total Receivable

20,350.63	19,198.87
------------------	------------------

Note :

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

b) Generally, as per credit terms trade receivable are collectable within 30-180 days although the Receivable are collectable within 30-180 days although the Company provides extended credit period with interest between 8% to 10% considering business and commercial arrangements with the customers including with the related parties.

c) The Carrying amounts of the trade receivables include receivables which are subject to a bills discounting arrangement. Under this arrangement, the Company has transferred the relevant receivables to the bank / financial institution in exchange of cash and is prevented from selling or pledging the receivables. The Cost of bill discounting has been to the customer's account as per the arrangement. However, the Company has retained late payment and credit risk. The Company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the bills discounting arrangement is presented as unsecured borrowing in note 13.

d) Trade receivable includes receivables arising from services provided to power companies which are passing through a difficult external environment causing certain delays in payment.

The Company has reviewed these receivables and considering the improving market conditions in the power sector, expects that the power companies will improve their operating effectiveness and recover past dues from Discoms and thereby the Company believes that the amount is good and recoverable.

6 Loans

Non - Current

Loans to Employees

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
-	3.70
-	3.70

Adani Hazira Port Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

7 Other Financial assets

Non-current

Security Deposits (Unsecured and good, unless otherwise stated)
Bank Deposits having maturity over 12 months

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
87.18	80.26
0.20	0.20
87.38	80.46

Current

Refundable deposit against contract, pending adjustment
Security Deposits (Unsecured and good, unless otherwise stated)
Deposit given under protest to government authorities (refer note 34B (ii))
Interest accrued on advances (refer note below)
Interest accrued on Trade Receivables (refer note 30)
Non Trade Receivable
Derivatives instrument not designated as hedge/forward contracts receivable
Advance to Employees

10,000.00	10,000.00
49.28	79.96
2,500.00	-
2,711.10	1,358.41
1,598.95	894.74
-	2,233.95
1,035.41	1,371.57
40.27	25.68
17,935.01	15,964.31

Note :

Interest accrued on advances from related parties (refer note 30)

564.97	300.59
--------	--------

8 Other Assets

(Unsecured, considered good unless otherwise stated)

Non Current

Capital Advances

(i) Advance for land (Unsecured) (refer note 34B (iii))

(ii) Other Capital Advances

Secured, Considered Good (refer note (ii))

Unsecured, Considered Good

Taxes recoverable (net of provision March 31, 2018 : ₹ 15,821.21 Lacs and March 31, 2017 : ₹ 11,221.50 Lacs) (refer note 25)

Other Assets

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
2,676.34	1,988.37
-	119.52
152.38	226.31
3,979.32	1,060.12
54.82	63.48
6,862.86	3,457.80

Current

Advance to Suppliers (refer note (i))
Deposit given under protest to government authorities (refer note 34)
Prepaid Expenses
Accrued Revenue
Balances with Government Authorities
Export benefits & other receivables
Assets held for sale (refer note 35)

2,846.29	2,764.76
-	2,500.00
121.90	226.29
1,606.60	235.38
2,687.89	2,578.53
7,207.21	4,680.00
-	1,645.29
14,469.89	14,630.25

Note :

(i) Advances recoverable in cash or in kind from related parties (refer note 30 and 34)

(ii) The Company has received bank guarantees of ₹ 3.84 Lacs (March 31, 2017 : ₹ 119.52 Lacs) against capital advances.

2,500.00	2,500.00
----------	----------

9 Inventories

(At lower of cost and net realizable value)

Stores and Spares

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
3,147.01	3,809.76
3,147.01	3,809.76

10 Cash and Bank Balances

(a) Cash and cash equivalents

Balances with banks (In Current Account)

Cash on hand

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
1,520.06	3,085.25
0.23	0.31
1,520.29	3,085.56

(b) Other bank balances

Margin Money deposits

Deposits with original maturity over 3 months but less than 12 months

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
9.95	9.29
25,000.00	-
25,009.95	9.29

Note : Margin Money deposit includes ₹ 9.95 Lacs (March 31, 2017 : ₹ 9.29 Lacs) being pledged / lien against bank guarantees.

Adani Hazira Port Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

11 Equity Share capital

Authorised

75,00,00,000 Equity Shares of ₹ 10 each (March 31 , 2017 : 75,00,00,000 Equity Shares of ₹ 10 each respectively)

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
75,000.00	75,000.00
75,000.00	75,000.00

Issued, subscribed and fully paid up shares

71,54,70,000 Equity Shares of ₹ 10 each (March 31 , 2017 : 71,54,70,000 Equity Shares of ₹ 10 each respectively)

71,547.00	71,547.00
71,547.00	71,547.00

Notes:

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

	March 31, 2018		March 31, 2017	
	No in Lacs	₹ in Lacs	No in Lacs	₹ in Lacs
As the beginning of the year	7,154.70	71,547.00	7,154.70	71,547.00
New Shares Issued during the year	-	-	-	-
As the end of the year	7,154.70	71,547.00	7,154.70	71,547.00

(b) Terms/rights attached to equity shares:

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

(c) Shares held by holding company

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

	March 31, 2018	March 31, 2017
	₹ in Lacs	₹ in Lacs
Adani Ports and Special Economic Zone Limited, the holding company and its nominees		
71,54,70,000 equity shares (Previous year 71,54,70,000) of ₹ 10 each	71,547.00	71,547.00

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

Equity shares of ₹ 10 each fully paid	Particulars	March 31, 2018	March 31, 2017
		₹ in Lacs	₹ in Lacs
Adani Ports and Special Economic Zone Limited, the holding company and its nominees	No in Lacs	7,154.70	7,154.70
	% Holding	100.00%	100.00%

12 Other Equity

Retained Earnings

Opening Balance
Less : Loss on disposal of assets / settlement of liabilities attributable to marine business undertaking adjusted from Opening Reserve (refer note 38)
Less : Profit from marine business undertaking transferred from Opening Reserve (refer note 38)
Add : Profit for the year
Add : Re-measurement gains / (losses) on defined benefit plans (net of tax)
Closing Balance

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
73,251.37	26,267.80
(22,270.13)	-
(5,580.02)	-
41,969.03	46,953.76
10.02	29.81
87,380.27	73,251.37

Note:- The portion of profits not distributed among the shareholders are termed as retained earnings. The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

13 Borrowings

Long term borrowings

Non-Current

Inter Corporate Deposit (Unsecured) (refer note b)
Inter Corporate Deposit (Secured) (refer note c)
Bills under foreign currency letter of credits from banks (Unsecured) (refer note a)

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
46,583.21	1,94,210.16
1,30,000.00	-
8,944.40	25,514.80
1,85,527.61	2,19,724.96

Less : Current maturities of long term borrowings

Inter Corporate Deposit (Unsecured) (refer note b)

-	(5,340.99)
---	------------

Total current maturity of long term borrowing reclassified with "other current financial liabilities" (refer note 14)

-	(5,340.99)
---	-------------------

Non-current portion of long term borrowings

1,85,527.61	2,14,383.97
--------------------	--------------------

Short-term borrowings

Customers' bills discounted (unsecured) (refer note 5 (c))

1,991.94	-
1,991.94	-

Total Borrowing includes

Secured borrowings
Unsecured borrowings

1,30,000.00	-
57,519.55	2,19,724.96
1,87,519.55	2,19,724.96

Adani Hazira Port Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

Notes:

- (a) Letter of credit from banks aggregating to ₹ 8,944.40 Lacs (March 31, 2017 ₹ 25,514.80 Lacs) carries interest in the range of LIBOR plus 0.21% to 0.51 % which is repayable on maturity. The facility is backed by letter of comfort from holding company, Adani Ports and Special Economic Zone Ltd.
- (b) Inter Corporate Deposit aggregating to ₹ 46,583.21 Lacs (March 31, 2017 ₹ 1,94,210.16 Lacs) received from Adani Ports and Special Economic Zone Ltd., the holding Company, is unsecured and carries interest rate @ 6.25% p.a. The outstanding loan will be repayable on January 20, 2022.
- (c) Inter Corporate Deposit aggregating to ₹ 1,30,000 Lacs (March 31, 2017 ₹ NIL) received from Adani Ports and Special Economic Zone Ltd., the holding Company, is secured and carries interest rate @ 6.25% p.a. The outstanding loan balance will be repayable in 3 installments commencing from October 30, 2025 to October 30, 2027 and is secured by way of a charge over the assets.
- (d) Factored receivables of ₹ 1,991.94 (Previous year : Nil) have recourse to the company and interest liability on amount of bill discounted is borne by the customer. Original maturity period of the transfer is 1 to 12 months period.

14 Other financial liabilities

Current

Current maturities of long term borrowings (refer note 13)	-	5,340.99
Interest accrued but not due on borrowings	9,228.43	2,973.35
Deposits from customers	668.29	336.38
Capital creditors, retention money and other payable	1,888.74	4,597.64
Other payables (Including discounts etc.)	2,071.20	-
Provision for derivatives not designated as hedge	-	493.03

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
-	5,340.99
9,228.43	2,973.35
668.29	336.38
1,888.74	4,597.64
2,071.20	-
-	493.03
13,856.66	13,741.39

Note (a)

Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for current period.

Changes in liabilities arising from financing activities

Particulars	April 1, 2017	Cash Flow	Foreign Exchange Movement	Changes in Fair Value	Other Adjustment	March 31, 2018
Long-term Borrowings (Including Current Maturities)	2,19,724.96	(34,306.61)	109.26	-	-	1,85,527.61
Short-term borrowing	-	-	-	-	1,991.94	1,991.94
Interest accrued but not due	2,973.35	(5,352.12)	-	-	11,607.20	9,228.43
Derivative Contract	493.03	(1,130.90)	-	-	(467.21)	(637.87)
Total	2,23,191.34	(40,789.63)	109.26	-	13,131.93	1,96,110.11

15 Other Liabilities

Non Current

Deferred Government Grant (refer note (i) below)

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
5,340.73	8,110.62
5,340.73	8,110.62

Current

Unearned Revenue	1,470.25	2,071.31
Statutory Liability	1,213.15	485.45
Deferred Government Grant (refer note (i) below)	452.96	599.25
Advance from customers	1,156.41	716.89

1,470.25	2,071.31
1,213.15	485.45
452.96	599.25
1,156.41	716.89
4,292.77	3,872.90

(i) Movement in Government Grant

Opening Balance

Add : Addition during the year	-	826.47
Less : Amortisation during the year	(470.56)	(587.09)
Less : Impact due to Scheme of Demerger (refer note 38)	(2,445.62)	-

Closing Balance

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
8,709.87	8,470.49
-	826.47
(470.56)	(587.09)
(2,445.62)	-
5,793.69	8,709.87

Non Current

Current

5,340.73	8,110.62
452.96	599.25

16 Trade payables

Payables to micro, small and medium enterprises (refer note 32)	0.51	4.09
Trade Payables	5,149.23	6,716.29

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
0.51	4.09
5,149.23	6,716.29
5,149.74	6,720.38

Dues to related parties included in above Trade payables (refer note 30)

837.08	311.41
--------	--------

Adani Hazira Port Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

17 Liabilities for current tax (net)

Liabilities for Current Tax (net)

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
480.01	2,750.85
480.01	2,750.85

18 Other provisions**Provision for Employee Benefits**

Provision for gratuity (refer note 28)

Provision for compensated absences

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
10.74	38.05
177.02	174.92
187.76	212.97

Other Provision

Provision for Operational Claims (refer note (a) below)

-	9.69
-	9.69
187.76	222.66

Note (a)

Opening Balance

Add : Additions during the year

Less : Utilised / (Settled) during the year

Closing Balance

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
9.69	9.69
-	-
9.69	-
-	9.69

This space has been left intentionally blank

Adani Hazira Port Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

19 Revenue from Operations

Income from Port Operations (refer note 37)
Other operating income

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
91,193.94	96,848.08
5,029.24	6,814.60
96,223.18	1,03,662.68

20 Other Income

Interest Income from

Bank Deposits
Customers and advances
Unclaimed Liabilities / Excess Provision Written Back
Profit on Sale / Disposal of Assets (net)
Scrap Sale
Rent Income (refer note a below)
Profit on sale of Mutual Fund
Amortisation of Government Grant
Miscellaneous Income
Total Other Income

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
545.90	1,312.89
2,367.33	2,105.30
0.24	36.37
-	3.52
56.16	12.17
77.70	69.65
257.85	157.32
470.67	587.09
114.82	43.98
3,890.67	4,328.29

a) Assets given under Operating Lease - A part of office building have been given on operating leases. The lease term are for the period of 11 months and are renewable by mutual consent. There are no-sub leases and leases are cancellable in nature. There are no restriction imposed by the lease arrangements. There is no contingent rent or escalation clause in the lease agreements.

21 Operating Expenses

Cargo handling/other charges to sub-contractors (net of reimbursement)
Customer Claims
Tug and Pilotage Charges
Maintenance Dredging
Repairs to Plant & Machinery
Store & Spares consumed (net of reimbursement)
Power & Fuel (net of credit from Wind Power Generation ₹ 211.13 Lacs and previous year ₹ NIL)
Waterfront Charges

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
9,605.65	9,246.09
(9.69)	-
41.24	635.95
2,194.69	530.73
688.64	847.67
1,807.47	1,731.42
3,207.26	3,736.70
2,270.16	2,041.29
19,805.42	18,769.85

22 Employee benefit expense

Salaries, Wages and Bonus
Contribution to Provident and Other Funds
Gratuity Expenses (refer note 28)
Staff Welfare Expenses

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
2,617.90	2,350.45
130.94	125.55
43.87	56.99
320.38	289.50
3,113.09	2,822.49

23 Finance Costs

Interest on

Term loan, Buyer's credit, Inter corporate deposit etc.
Others
Bank and Other Finance Charges
(Gain) / Loss on Derivatives / Swap Contracts (net)

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
10,145.36	9,487.92
(78.88)	164.52
1,540.72	4,013.41
(467.21)	1,056.17
11,139.99	14,722.02

24 Other Expenses

Land Lease Rent
Rent (refer note (d) below)
Rates and Taxes
Insurance (net of reimbursement)
Advertisement and Publicity
Other Repairs and Maintenance (net of reimbursement)
Legal and Professional Expenses
Payment to Auditors (refer note (a) below)
Security Service Charges
Communication Expenses
Office Expenses
Travelling and Conveyance (refer note (c) below)
Directors Sitting Fee
Charity & Donations (refer note (b) below)
Loss on sale of fixed assets (net)
Allowances for doubtful debts
Miscellaneous Expenses

March 31, 2018	March 31, 2017
₹ in Lacs	₹ in Lacs
136.19	136.59
19.38	5.78
2.64	4.00
205.38	242.01
31.50	36.89
171.25	285.77
755.88	729.79
26.53	28.16
23.41	243.82
168.75	163.59
203.91	210.34
657.06	777.23
2.11	2.06
691.95	333.40
35.56	-
40.48	141.35
754.93	640.02
3,926.91	3,980.80

Adani Hazira Port Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

Note: (a) Payment to Auditor	March 31, 2018	March 31, 2017
	₹ in Lacs	₹ in Lacs
As Auditor:		
Audit fee	19.88	17.50
Limited review	6.30	6.30
In other Capacity		
Certification Fees	-	0.75
Other Services	-	3.50
Reimbursement of expenses	0.35	0.11
	26.53	28.16

Note: (b)
Details of Corporate Social Responsibilities
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.
The company has paid ₹ 691.95 lacs (previous year ₹ 332.40 lacs) towards corporate social responsibilities to Adani Foundation.

1) Gross Amount required to spent during the year	March 31, 2018	March 31, 2017
	₹ in Lacs	₹ in Lacs
	691.95	333.40

2) Amount spent during the year ended March 31, 2018	In cash	Yet to be	Total
	i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	691.95	-	691.95
Total	691.95	-	691.95

March 31, 2017	In cash	Yet to be	Total
	i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	333.40	-	333.40
Total	333.40	-	333.40

Note : (c)
Including aircraft services expenses of ₹ 224.52 lacs (previous year ₹ 386.16 lacs).

Note : (d)
Assets taken under operating leases – residential houses for staff accommodation, are obtained on operating leases. During the year, the Company has incurred ₹ 19.38 lacs (Previous year ₹ 5.78 lacs) towards lease rentals which has been charged to statement of profit & loss. The lease terms are generally from eleven months to thirty three months and are renewable based on mutual agreement. There is no sub-lease and the leases are cancellable in nature. There are no restrictions imposed under the lease arrangements. There is no contingent rent clause in the lease agreements.

25 Income Tax

(i) The major components of income tax expenses for the years ended March 31, 2018 and March 31, 2017

Profit and Loss Section	March 31, 2018	March 31, 2017
	₹ in Lacs	₹ in Lacs
Current income tax:		
Current tax charge	9,923.38	11,022.59
Deferred Tax:		
Relating to origination and reversal of temporary differences	4,334.41	9,065.59
Tax (credit) under Minimum Alternate tax	(9,669.68)	(4,523.39)
Tax (credit) under Minimum Alternate tax pertaining to previous years	-	(11,088.04)
Tax expenses reported in statement of profit and loss	4,588.11	4,476.75

Other Comprehensive Income ('OCI') Section

Deferred tax related to items recognised in OCI during the year	March 31, 2018	March 31, 2017
	₹ in Lacs	₹ in Lacs
Net (gain)/loss on remeasurements of defined benefit plans	(5.30)	(15.77)
	(5.30)	(15.77)

(ii) Balance Sheet Section

Liabilities for Current Tax (net) (refer note 17) Taxes Recoverable (net) (refer note 8)	March 31, 2018	March 31, 2017
	₹ in Lacs	₹ in Lacs
	480.01	2,750.85
	(3,979.32)	(1,060.12)
	(3,499.31)	1,690.73

Note : Liabilities for Current Tax (net) and Taxes Recoverable (net) are presented based on a year-wise tax balances, as the case may be.

(iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017

Accounting profit before taxation	March 31, 2018	March 31, 2017
	₹ in Lacs	₹ in Lacs
	46,557.14	51,430.51
Applicable tax rate	34.608%	34.608%
Computed tax expenses	16,112.50	17,799.07
Expenses not allowable under Tax laws	239.98	8.31
Recognition of credits for unused tax losses	-	(5,325.63)
Effect of change in tax rates	225.99	-
Deduction under chapter VI-A	(11,990.36)	-
MAT credit recognised for earlier years	-	(11,088.04)
Adjustment of tax relating to earlier periods	-	-
Others/Impact of timing difference due to tax holiday	-	3,083.04
Income tax expenses charged to profit and loss	4,588.11	4,476.75

Adani Hazira Port Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

(iv) Deferred Tax Liabilities(net)

Particulars	Balance Sheet		Profit and Loss/OCI	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Accelerated depreciation for tax purpose	(23920.03)*	(23,413.80)	3,003.67	(1,562.64)
Other temporary differences	625.95	1,952.29	1,330.74	10,628.23
Defined benefit liability	(3.87)	1.43	5.30	15.77
Deferred tax liabilities	(23,297.95)	(21,460.08)	4,339.71	9,081.36

* Net deferred tax liabilities is after effect of deferred tax amounting to ₹ 2,497.44 lacs on demerger of marine business undertaking (refer note 38)

(v) Deferred Tax Liabilities reflected in the Balance Sheet as follows

	March 31, 2018	March 31, 2017
	₹ in Lacs	₹ in Lacs
Deferred tax liabilities (net)	23,297.95	21,460.08
Less : Tax Credit Entitlement under MAT	(20,361.93)	(15,611.43)
	2,936.02	5,848.65

(vi) Reconciliation of Deferred tax liabilities (net)

	March 31, 2018	March 31, 2017
	₹ in Lacs	₹ in Lacs
Tax income / (expenses) during the period recognised in Statement of Profit and Loss	4,334.41	9,065.59
Tax income / (expenses) during the period recognised in OCI	5.30	15.77
	4,339.71	9,081.36

(vii) The Company is eligible to avail benefits under section 80IA of the Income Tax Act, 1961 on the Taxable income w.e.f. FY 2017-18. Currently, the company is liable to pay Minimum Alternative Tax (MAT) on income of the year/period and accordingly has made provision for tax under section 115JB. The company has recognised the deferred tax liabilities of ₹ 23,297.95 Lacs (PY ₹ 21,460.08 Lacs) in respect of timing difference which will reverse after the tax holiday period. Based on amendment, the company has made provision of ₹ 9,947.83 Lacs (PY ₹ 11,022.59 Lacs) for current taxation based on its book profit for the financial year 2017-18 and has recognised MAT credit of ₹ 9,669.68 Lacs (PY ₹ 15,611.43 Lacs) as the management believes in view of strategic volumes of cargo available with the company and higher depreciation charge for accounting purposes than the depreciation for income tax purposes in the future period, it is possible that the MAT credit will utilised post tax holiday period w.e.f. Financial Year 2027-28.

(viii) The Company has following unutilised MAT credit under the Income Tax Act, 1961 for which deferred tax assets has been recognised in the Balance Sheet.

Financial Year	Amount (₹ in Lacs)	Expiry Date
2014-15	2,627.83	2029-30
2015-16	8,064.42	2030-31
2017-18	9,669.68	2032-33
Total	20,361.93	

26 Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management
26.1 Category-wise Classification of Financial Instruments:

Particulars	Refer Note	As at March 31, 2018			
		Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Amortised Cost	Carrying Value
		₹ in Lacs			
Financial Asset					
Investments in unquoted equity shares of subsidiaries	4	-	-	2,420.00	2,420.00
Trade receivables (including bill discounted)	5	-	-	20,350.63	20,350.63
Cash and Cash Equivalents	10	-	-	1,520.29	1,520.29
Bank balance other than Cash & Cash Equivalents	10	-	-	25,009.95	25,009.95
Others financial assets	7	-	-	16,986.98	16,986.98
Derivative instruments not designated as hedge	7	-	1,035.41	-	1,035.41
Total		-	1,035.41	66,287.85	67,323.26
Financial Liabilities					
Borrowings (including bill discounted and current maturities)	13	-	-	1,87,519.55	1,87,519.55
Trade payables	16	-	-	5,149.74	5,149.74
Other financial liabilities	14	-	-	13,856.66	13,856.66
Total		-	-	2,06,525.95	2,06,525.95

Particulars	Refer Note	As at March 31, 2017			
		Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Amortised Cost	Carrying Value
		₹ in Lacs			
Financial Asset					
Investments in unquoted equity shares of subsidiaries	4	-	-	2,420.00	2,420.00
Investments in government securities	4	-	-	-	0.25
Investments in unquoted Mutual Funds	4	-	511.32	-	511.32
Trade receivables (including bill discounted)	5	-	-	19,198.87	19,198.87
Cash and Cash Equivalents	10	-	-	3,085.56	3,085.56
Bank balance other than Cash & Cash Equivalents	10	-	-	9.29	9.29
Others financial assets	7	-	-	14,673.20	14,673.20
Derivative instruments not designated as hedge	7	-	1,371.57	-	1,371.57
Total		-	1,882.89	39,390.62	41,273.76
Financial Liabilities					
Borrowings (including bill discounted and current maturities)	13	-	-	2,19,724.96	2,19,724.96
Trade payables	16	-	-	6,720.38	6,720.38
Other financial liabilities	14	-	493.03	7,907.37	8,400.40
Total		-	493.03	2,34,352.71	2,34,845.74

Adani Hazira Port Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

26.2 Fair Value Measurements:

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

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

Particulars	As at March 31, 2018	As at March 31, 2017
	Significant observable inputs (Level 2)	Significant observable inputs (Level 2)
Financial Assets		
Investments in unquoted Mutual Funds measured at FVTPL (refer note 4)	-	511.32
Derivative instrument	1,035.41	1,371.57
Total	1,035.41	1,882.89
Financial Liabilities		
Derivative instrument	-	493.03
Total	-	493.03

(b) Financial Instrument measured at Amortised Cost

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

26.3 Financial Risk objective and policies

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

In the ordinary course of business, the Company is mainly exposed to risks resulting from exchange rate fluctuation (currency risk) and interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. It manages its exposure to these risks through derivative financial instruments by hedging transactions as per the policy. It uses derivative instruments such as Interest rate swaps, foreign currency future options and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favorable and unfavorable fluctuations.

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

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Company is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in our judgment, are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

Further, all currency and interest risk as identified above is measured on a daily basis by monitoring the mark to market (MTM) of open and hedged position. The MTM is derived basis underlying market curves on closing basis of relevant instrument quoted on Bloomberg/Reuters. For year ends, the MTM for each derivative instrument outstanding is obtained from respective banks. All gain / loss arising from MTM for open derivative contracts and gain / loss on settlement / cancellation / roll over of derivative contracts is recorded in statement of profit and loss.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, short term Investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2018. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

(I) Interest rate risk

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

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit before tax for the year ended 31st March, 2018 would decrease / increase by ₹ 44.72 Lacs (for the year ended 31st March, 2017: decrease / increase by ₹ 127.57 Lacs). This is mainly attributable to interest rates on variable rate long term borrowings.

Adani Hazira Port Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

(II) Foreign currency risk

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR), have an impact on the Company's operating results. The Company manages its foreign currency risk by entering into currency swap for converting INR loan into other foreign currency for taking advantage of lower cost of borrowing in stable currency environment. The Company also enters into various foreign exchange contracts to mitigate the risk arising out of foreign exchange rate movement on foreign currency borrowings or trade payables. Further, to hedge foreign currency future transactions in respect of which firm commitment are made or which are highly probable forecast transactions (for instance, foreign exchange denominated income) the Company has entered into foreign currency forward contracts as per the policy of the Company.

The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

The below table represents total exposure of the Company towards foreign exchange denominated liabilities (net). The details of exposures hedged using forward exchange contracts are given as a part of Note 31(a) and the details of unhedged exposures are given as part of Note 31(b).

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

Sr. No.	Particulars	Impact on Profit before tax		Impact on Pre-tax Equity	
		For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
1	USD Sensitivity				
	RUPEES / USD – Increase by 1%	(89.69)	(89.99)	(89.69)	(89.99)
	RUPEES / USD – Decrease by 1%	89.69	89.99	89.69	89.99
2	EURO Sensitivity				
	RUPEES / EURO – Increase by 1%	(0.11)	-	(0.11)	-
	RUPEES / EURO – Decrease by 1%	0.11	-	0.11	-
3	GBP Sensitivity				
	RUPEES / GBP – Increase by 1%	(0.10)	-	(0.10)	-
	RUPEES / GBP – Decrease by 1%	0.10	-	0.10	-

* Figures being nullified on conversion to ₹ in Lacs.

(iii) Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

(B) Credit risk

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

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

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. 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. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Concentrations of Credit Risk form part of Credit Risk

The Company is significantly dependent on cargo from or to few large port user customer with whom it has strategic arrangements. Out of total revenue, the Company earns ₹ 30,124.38 Lacs of revenue during the year ended March 31, 2018 (previous year ₹ 31,816.50 Lacs) from such customer which constitute 31% (previous year 31%) of total revenue and the accounts receivable from such customer approximated ₹ 6,673.74 Lacs as at March 31, 2018 and ₹ 5,962.83 Lacs as at March 31, 2017. A loss of these customer could adversely affect the operating results or cash flows of the Company.

(C) Liquidity Risk

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

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents.

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

Particulars					₹ in Lacs
	On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
As at March 31, 2018					
Borrowings (including the bills discounted) (refer note 13)	-	1,991.94	55,527.61	1,30,000.00	1,87,519.55
Trade Payables (refer note 16)	-	5,149.74	-	-	5,149.74
Other Financial Liabilities (refer note 14)	-	13,856.66	-	-	13,856.66
Total	-	20,998.34	55,527.61	1,30,000.00	2,06,525.95

Adani Hazira Port Private Limited
Notes to the Financial Statements for the year ended March 31, 2018
₹ in Lacs

Particulars	On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
As at March 31, 2017					
Borrowings (including the bills discounted) (refer note 13)	-	-	52,219.75	1,62,164.22	2,14,383.97
Trade Payables (refer note 16)	-	6,720.39	-	-	6,720.39
Other Financial Liabilities (refer note 14)	-	13,248.36	-	-	13,248.36
Derivatives Instruments not designated as hedge (refer note 14)	-	493.03	-	-	493.03
Total	-	20,461.78	52,219.75	1,62,164.22	2,34,845.75

26.4 Capital management

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

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

₹ in Lacs

Particulars	March 31, 2018	March 31, 2017
Total Borrowings (refer note 13)	1,87,519.55	2,19,724.96
Less: Cash and bank balance (refer note 10)	26,530.24	3,094.85
Net Debt (A)	1,60,989.31	2,16,630.11
Total Equity (B)	1,58,927.27	1,44,798.37
Total Equity and Net Debt (C = A + B)	3,19,916.58	3,61,428.48
Gearing ratio	50.32%	59.94%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

27 Earnings per share

Profit attributable to equity shareholders of the company

Weighted average number of equity shares in calculating basic and diluted EPS

Basic and Diluted earning per share (in ₹)

	March 31, 2018	March 31, 2017
	₹ in Lacs	₹ in Lacs
Profit attributable to equity shareholders of the company	41,969.03	46,953.76
Weighted average number of equity shares in calculating basic and diluted EPS	7,154.70	7,154.70
Basic and Diluted earning per share (in ₹)	5.87	6.56

28 Disclosures as required by Ind AS - 19 Employee Benefits

(a) The company has recognised, in the Statement of Profit and Loss for the current year, an amount of ₹ 128.4 Lacs (previous year ₹ 122.22 Lacs) as expenses under the following defined contribution plan.

Contribution to	2017-18	2016-17
Provident Fund	124.23	117.22
Superannuation Fund	4.17	5.00
Total	128.40	122.22

(b) The company has a defined gratuity plan (funded) and is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed at least five year of service is entitled to gratuity benefits on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India (LIC) in form of a qualifying insurance policy for future payment of gratuity to the employees.

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

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

Gratuity

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

₹ in Lacs

Particulars	March 31, 2018	March 31, 2017
Present value of the defined benefit obligation at the beginning of the year	212.07	215.70
Current service cost	40.98	48.72
Past Service Cost	-	-
Interest cost	16.11	17.16
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	(6.25)	(49.92)
- experience variance	(10.06)	13.26
Benefits paid	(9.94)	(2.63)
Acquisition adjustment	(7.09)	(30.22)
Present value of the defined benefit obligation at the end of the year	235.82	212.07

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

₹ in Lacs

Particulars	March 31, 2018	March 31, 2017
Fair value of plan assets at the beginning of the year	174.02	111.79
Investment income	13.23	8.88
Contributions by employer	50.56	47.06
Benefits paid	(11.75)	(2.63)
Return on plan assets, excluding amount recognised in net interest expense	(0.98)	8.92
Fair value of plan assets at the end of the year	225.08	174.02

Adani Hazira Port Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

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

₹ in Lacs

Contribution to	March 31, 2018		March 31, 2017	
Present value of the defined benefit obligation at the end of the year		235.82		212.07
Fair value of plan assets at the end of the year		225.08		174.02
Amount recognised in the balance sheet		(10.74)		(38.05)
Net (liability)/asset - Current		(10.74)		(38.05)
Net (liability)/asset - Non-current		-		-

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

₹ in Lacs

Particulars	March 31, 2018		March 31, 2017	
Current service cost		40.98		48.72
Interest cost on benefit obligation		2.89		8.27
Total Expense included in employee benefits expense		43.87		56.99

e) Recognised in the other comprehensive income for the year

₹ in Lacs

Particulars	March 31, 2018		March 31, 2017	
Actuarial (gain)/losses arising from				
- change in demographic assumptions		-		-
- change in financial assumptions		(6.25)		(49.92)
- experience variance		(10.06)		13.26
Return on plan assets, excluding amount recognised in net interest expense		0.99		(8.92)
Recognised in comprehensive income		(15.32)		(45.58)

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

₹ in Lacs

Particulars	March 31, 2018		March 31, 2017	
Discount rate		7.80%		7.60%
Rate of escalation in salary (per annum)		7.00%		7.00%
Mortality		Indian assured lives mortality table 2006-08		Indian assured lives mortality table 2006-08
Attrition rate		10% for 5 years & below and 1% thereafter		10% for 5 years & below and 1% thereafter

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

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

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

Particulars	March 31, 2018		March 31, 2017	
Investments with insurer*		100%		100%

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

(h) Sensitivity Analysis Method

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

Quantitative sensitivity analysis for significant assumption is as below

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

Particulars	March 31, 2018		March 31, 2017	
Assumptions				
Sensitivity level	1 % Decrease	1% Increase	1 % Decrease	1% Increase
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	33.68	(28.10)	29.00	(24.20)

Particulars	March 31, 2018		March 31, 2017	
Assumptions				
Sensitivity level	1 % Decrease	1% Increase	1 % Decrease	1% Increase
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	(28.54)	33.61	(24.53)	28.89

Particulars	March 31, 2018		March 31, 2017	
Assumptions				
Sensitivity level	50 % Decrease	50 % Increase	50 % Decrease	50 % Increase
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	0.89	(0.86)	1.42	(1.37)

Particulars	March 31, 2018		March 31, 2017	
Assumptions				
Sensitivity level	10 % Decrease	10 % Increase	10 % Decrease	10 % Increase
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	(0.07)	0.07	(0.05)	0.05

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk.

However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset)."

Adani Hazira Port Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

(i) Maturity profile of Defined Benefit Obligation

₹ in Lacs

Particulars	March 31, 2018	March 31, 2017
Weighted average duration (based on discounted cash flows)	14 years	13 years

(j) The expected cash flows of defined benefit obligation over the future periods (valued on undiscounted bases)

₹ in Lacs

Particulars	March 31, 2018	March 31, 2017
Within the next 12 months	3.36	2.95
Between 2 and 5 years	54.24	68.68
Between 5 and 10 years	82.14	32.95
Beyond 10 years	669.99	578.54
Total Expected Payments	809.73	683.12

The company expects to contribute ₹ 53.53 lacs to gratuity fund in the financial year 2018-19. (Previous year ₹ 104.60 lacs)

29 Segment information

The Company is primarily engaged in one business segment, namely developing, operating and maintaining the ports services as determined by chief operational decision maker, in accordance with Ind AS - 108 "Segment Reporting".

Considering the inter relationship of various activities of the business, the chief operational decision maker monitors the operating results of its business segment on overall basis. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

This space has been left intentionally blank

30 Related Party Disclosures

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

Holding Company	Adani Ports and Special Economic Zone Ltd.
Subsidiary Companies	Hazira Infrastructure Pvt. Ltd.
Fellow Subsidiary Companies	Adani Logistics Ltd.
	Adani Kandla Bulk Terminal Pvt. Ltd.
	Adani Petronet (Dahej) Port Pvt. Ltd.
	MPSEZ Utilities Pvt. Ltd.
	Adani Murmugao Port Terminal Pvt. Ltd.
	The Dhamra Port Company Ltd
	Shantisagar International Dredging Pvt Ltd
	Adani Vizag Coal Terminal Pvt Ltd
	The Adani Harbour Services Pvt. Ltd
Karnavati Aviation Pvt. Limited	
Joint Venture of holding company	Adani CMA Mundra Terminal Pvt. Ltd.
Entities over which key Management Personnel and their relatives are able to exercise Significant Influence	Adani Foundation
Entities over which major shareholders of the holding company are able to exercise Significant Influence through voting power	Adani Enterprises Ltd.
	Adani Power Maharashtra Ltd.
	Adani Power Ltd.
	Adani Bunkering Pvt. Ltd
Key Managerial Personnel	Adani Wilmar Ltd
	Mr. Anil Kishor Singh – Managing Director (ceased as Director and Managing Director w.e.f 03.06.2017)
	Mr. Karan Adani – Director
	Mr. Unmesh Abhyankar – Director (appointed as Director w.e.f 11.05.2017)
	Mr. Sandeep Mehta – Director (appointed as Managing Director w.e.f 03.06.2017)
	Mr. Anand Singhal – Chief Financial Officer
Mr. Jay H. Shah - Non- Executive Director (ceased as Director w.e.f 07.10.2017)	
Ms. Komal Majmudar - Non- Executive Director	

Terms and conditions of transactions with related parties

(i) Outstanding balances of related parties at the year-end are unsecured except inter corporate deposits and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes :

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

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

Transaction/Category	Related Party	₹ In Lacs		
		March 31,2018	March 31,2017	
Purchase of capital goods	Mundra Solar Pvt Ltd	21.48	-	
	Adani Kandla Bulk Terminal Pvt Ltd.	-	3.29	
	Adani Ports and Special Economic Zone Ltd.	29.80	-	
	Adani Vizag Coal Terminal Pvt Ltd	5.76	-	
	Adani Petronet (Dahej) Port Pvt. Ltd.	-	118.20	
Income from port services	Adani Enterprises Ltd.	8,411.14	7,686.29	
	Adani Logistics Ltd.	1,549.06	2,195.35	
	Adani Ports and Special Economic Zone Ltd.	238.41	-	
	Adani Bunkering Pvt. Ltd	280.22	131.27	
	Adani Wilmar Ltd	291.96	223.57	
Reimbursement of expenses (paid)	The Adani Harbour Services Pvt. Ltd	390.31	-	
	Adani Petronet (Dahej) Port Pvt. Ltd.	9.05	-	
	Adani Murmugao Port Terminal Pvt. Ltd.	9.05	-	
	Adani Kandla Bulk Terminal Pvt Ltd.	18.09	-	
	The Dhamra Port Company Ltd	9.05	-	
Sale of capital inventory (gross)	Adani Murmugao Port Terminal Pvt. Ltd.	-	0.60	
	Adani Kandla Bulk Terminal Pvt Ltd.	0.27	0.53	
	MPSEZ Utilities Pvt. Ltd.	-	0.71	
	Adani Petronet (Dahej) Port Pvt. Ltd.	10.41	2.90	
	Adani Wilmar Ltd	-	0.09	
	Shantisagar International Dredging Pvt Ltd	22.42	-	
	Adani CMA Mundra Terminal Pvt Ltd	0.92	-	
	Adani Green Energy Pvt Ltd	43.00	-	
	Adani International Container Terminal Private Li	0.14	-	
	Adani Ports and Special Economic Zone Ltd.	40.76	89.74	
Sale of asset	The Adani Harbour Services Pvt. Ltd	42,062.65	-	
Interest Expense	Adani Ports and Special Economic Zone Ltd.	10,253.83	2,910.03	
Interest Income	Adani Power Maharashtra Ltd.	680.31	556.59	
	Adani Bunkering Pvt. Ltd	293.75	293.75	
Services availed	- Professional fees	Adani Enterprises Ltd.	185.22	391.16
	- Dredging	Adani Ports and Special Economic Zone Ltd.	709.91	1,710.93
	- CFS	Adani Logistics Ltd.	136.19	254.22
	- Dredger	Shantisagar International Dredging Pvt Ltd	1,943.37	-
	- Travel	Karnavati Aviation Pvt. Ltd.	224.52	386.16
	Donation	Adani Foundation	691.95	332.40
Borrowings (Loan taken)	Adani Ports and Special Economic Zone Ltd.	81,201.00	2,25,688.21	
Borrowings (Loan repaid)	Adani Ports and Special Economic Zone Ltd.	98,827.96	63,524.00	

Adani Hazira Port Private Limited
Notes to the Financials statements for the year ended March 31, 2018
(₹ In Lacs)

Remuneration paid	Mr. Anil Kishore Singh	94.98	147.82
	Mr. Karan Adani	-	49.94
	Mr. Anand Singhal	39.78	35.32
Sale of Investment	Adani Ports and Special Economic Zone Ltd.	-	5.00
Sitting Fees	Mr. Jay H. Shah	1.01	1.01
	Mr. Komal Majmudar	1.10	0.93
	Gujarat Maritime Board	-	0.12

(₹ In Lacs)

Closing Balance		March 31,2018	March 31,2017
Trade Receivables	Adani Logistics Ltd.	7.69	372.37
	Adani Enterprises Ltd.	5,925.20	3,545.45
	Adani Power Maharashtra Ltd.	7,609.15	7,609.15
	Adani Kandla Bulk Terminal Pvt Ltd.	10.49	-
	Adani Ports and Special Economic Zone Ltd.	16.26	-
	Adani Wilmar Ltd	2.41	0.11
	MPSEZ Utilities Pvt. Ltd.	0.01	0.01
	The Dhamra Port Company Ltd	5.25	-
	Adani Petronet (Dahe) Port Pvt. Ltd.	0.02	2.47
	The Adani Harbour Services Pvt. Ltd	22.13	-
	Adani Murmugao Port Terminal Pvt. Ltd.	5.25	0.67
	Adani Bunkering Pvt Ltd	0.16	1.84
		13,604.02	11,532.07
Other Financial & Non Financial Asset	Adani Petronet (Dahe) Port Pvt. Ltd.	0.72	5.69
	Adani Enterprises Ltd.	73.79	138.45
	Adani Ports and Special Economic Zone Ltd.	-	2,233.95
	Adani Bunkering Pvt Ltd	2,500.00	2,500.00
	Adani Power Ltd.	0.11	-
	Hazira Infrastructure Pvt Ltd.	0.07	-
	Adani Power Maharashtra Ltd.	1,598.95	894.74
		4,173.64	5,772.83
Loans & Advances	MPSEZ Utilities Pvt. Ltd.	0.45	-
		0.45	-
Financial Asset - Interest accrued	Adani Bunkering Pvt Ltd	564.97	300.59
Trade Payables	Adani Enterprises Ltd.	2.61	127.13
	Adani Ports and Special Economic Zone Ltd.	113.00	69.94
	Adani Logistics Ltd.	25.01	28.87
	Karnavati Aviation Pvt. Ltd.	9.27	84.16
	Adani Murmugao Port Terminal Pvt. Ltd.	0.04	-
	Adani Vizag Coal Terminal Pvt Ltd	6.94	-
	Shantisagar International Dredging Pvt Ltd	678.00	-
	Adani Ennore Container Terminal Pvt Ltd	1.30	-
	The Adani Harbour Services Pvt. Ltd	0.33	-
	Adani Wilmar Ltd	-	0.73
	The Dhamra Port Company Ltd	0.58	0.58
		837.08	311.41
Other Financial & Non Financial Liabilities	Adani Ports and Special Economic Zone Ltd.	-	1,004.57
		-	1,004.57
Advance from Customer	Adani Enterprises Ltd.	83.84	-
	Adani Murmugao Port Terminal Pvt. Ltd.	0.04	-
		83.88	-
Interest accrued and due	Adani Ports and Special Economic Zone Ltd.	9,221.24	2,619.03
		9,221.24	2,619.03
Borrowings - Inter Corporate Deposit	Adani Ports and Special Economic Zone Ltd.	1,76,583.11	1,94,210.17
		1,76,583.11	1,94,210.17

Adani Hazira Port Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

31 Derivative instruments and unhedged foreign currency exposure

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

Nature	Particulars of derivatives		Purpose
	March 31, 2018 ₹ in Lacs	March 31, 2017 ₹ in Lacs	
Forward Contract	USD 27.90 Million (equivalent to INR 18,183.83 Lacs)	USD 27.90 Million (equivalent to INR 19,572.05 Lacs)	Hedging of expected future billing based on foreign currency denominated tariff USD million (Previous year USD 27.90 million)
Options	-	USD 25.62 Million (equivalent to INR 1,661.50 Lacs)	Hedging of foreign currency borrowing Principal liability
INR - Foreign Currency Swap	USD 80.00 Million (equivalent to INR 52,140.00 Lacs)	-	Hedging of equivalent INR borrowings to mitigate higher interest rate of INR borrowings as against the foreign currency loans with possible risk of principal currency losses.

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

Nature	As at March 31, 2018		As at March 31, 2017	
	Amount ₹ in Lacs	Foreign Currency In Million	Amount ₹ in Lacs	Foreign Currency In Million
Bills under letter of credit	8,944.40	USD 13.72	8,897.42	USD 13.72
Interest accrued but not due	7.19	USD 0.01	96.05	USD 0.15
Trade payables	17.63	USD 0.03	5.61	USD 0.01
	10.35	GBP 0.01	-	-
Other Receivable	10.61	EUR 0.01	-	-

Closing rates as at March 31, 2018:

 INR / USD = ₹ 65.175
 INR / EURO = ₹ 80.8075
 INR / GBP = ₹ 92.2775

Closing rates as at March 31, 2017:

 INR / USD = ₹ 64.85
 INR / EURO = ₹ 69.29

32 Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III the Companies Act, 2013 for the year ended March 31, 2018. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

Sr No	Particulars	₹ in Lacs	
		As at March 31, 2018	As at March 31, 2017
(i)	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year. Principal Interest	0.51 Nil	0.96 Nil
(ii)	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
(iii)	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
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(v)	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	Nil	Nil

33 Detail of Capital Work in Progress including certain expenses of revenue nature allocable to New Projects and Capital Inventory, Consequently expenses disclosed under the respective notes are net of such amount.

Particulars	₹ in Lacs	
	March 31, 2018	March 31, 2017
A. Project Costs	4,202.12	10,322.47
B. Capital Inventory	1,032.71	757.75
C. Costs attributable to Construction Period :		
Foreign Exchange Fluctuation	-	1,336.00
Total Expenditure	-	1,336.00
Brought Forward from Previous Year	74.60	39.77
Total	-	1,336.00
Capitalized / allocation during the year	(74.60)	(1,301.17)
Balance Carried Forward Pending Allocation/Capitalization	-	74.60
Total Capital Work In Progress (A + B + C) (refer note 3 (b))	5,234.83	11,154.82

Adani Hazira Port Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

34 Capital commitments & other commitment
(A) Capital commitments

Particulars	₹ in Lacs	
	March 31, 2018	March 31, 2017
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	3,358.28	2,766.23

(B) Other commitment

Particulars	March 31, 2018	March 31, 2017
(i) The Company has imported capital good for its Container and Multipurpose Port Terminal Project under the Export Promotion Capital Goods Scheme of the Government of India at concessional rate of custom duty by undertaking obligation to export. Future outstanding export obligation under the scheme is ₹ 71,773.64 Lacs which is equivalent to either 8 times / 6 times of duty saved of ₹ 10,368.35 Lacs. The export obligation has to be completed by 2019-20. Further during the year the company has submitted documents for fulfilment of obligations to the tune of ₹ 53,407.52 Lacs. However, pending the export obligation discharge clearance certificate, the same have been considered as outstanding as on March 31, 2018	71,773.64	1,02,656.91
(ii) Contract / Commitment for purchase of diesel. Advance given for ₹ 2500 lacs (Previous year ₹ 2500 lacs) (refer note 7)	2,500.00	2,500.00
(iii) The Company has entered into agreement in financial year 2013-14 to acquire land measuring 85,553 square meter in the Hazira region and an advance consideration of ₹ 1,822.55 lacs paid towards the land has been classified as capital advance. The company has entered into agreement in financial year 2016-17 and 2017-18 to acquire additional land measuring 748 acre in the Patan region and an advance consideration of ₹ 165.82 lacs and ₹ 687.97 lacs paid towards the land classified as capital advance respectively. As at March 31, 2018, the Company do not have physical possession of the said land, although it has contractual right in the said land parcels. The management represent that as land area and location is identifiable and the transaction will be concluded on receiving necessary government approvals. (refer note 8)	2,676.34	1,988.37

35 Asset held for sale:

During the previous year, The Board of Directors of the Company in their meeting held on February 14, 2017 has approved to transfer Maintenance Dredging operations of the Company consisting of fleet of dredgers and relevant support facilities to Shanti Sagar International Dredging Private Limited, a fellow subsidiary. The Business Transfer Agreement has been entered between the parties on April 1, 2017 to transfer the following assets and liabilities of the Maintenance Dredging operations to the fellow subsidiary at a consideration of Rs 1,900 Lacs :

Particulars	₹ in Lacs
a) Project Assets (Property, Plant and Equipment)	1,645.29
b) Inventories	254.71
Net Assets	1,900.00

Considering the management's consideration to transfer the aforesaid assets to its fellow subsidiary, the relevant property, plant and equipment of ₹ 1,645.29 lacs has been classified as 'Asset Held for Sale' (refer note 8).

36 Contingent liabilities not provided for

Sr.No	Particulars	₹ in Lacs	
		March 31, 2018	March 31, 2017
a	Various show cause notices received from Commissioner of service Tax against availment of Cenvat credit / service tax credit and Education Cess credit on cement and steel used for construction of port project infrastructure for the period October'2010 to March'16. The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company.	1,894.13	1,893.92
b	National Green Tribunal (Western Zone) Bench, Pune has passed an penalty order in a matter relating to environmental deficiencies observed by the Tribunal in which Company is one of the respondent. As per the order, the Company has deposited ₹ 2,500 Lacs with the Collector, Surat and has appealed against the order of National Green Tribunal in Supreme Court. However, the Supreme Court order had been passed in favor of the Company on April 23, 2018 and asked the authority to refund the amount along with interest to the Company.	-	2,500.00
c	The company's income tax assessments is completed for assessment year 2012-13 and 2013-14. Disputed income tax dues in respect of which the company is in appeal before the appellate authorities. The management is reasonably confident that its position is likely to be upheld in the appellate process	5.23	8.53

37 Leases

Operating lease commitments – Company as lessor

The Company has entered into an agreement for lease of liquid terminal tanks storage facilities at port for a non-cancellable period of 5 years.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

Particulars	₹ in Lacs	
	As at March 31, 2018	As at March 31, 2017
Within one year	1,613.36	2,765.75
After one year but not more than five years	-	1,613.36
More than five years	-	-
Total	1,613.36	4,379.11

Adani Hazira Port Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

- 38 During the year ended March 31, 2017, the Board of Directors of AHPPL (hereinafter referred as "the Transferor Company") and The Adani Harbour Service Private Limited (Formerly known as "TM Harbour Services Private Limited") (hereinafter referred as "the Transferee company" or "AHSPL"), a fellow subsidiary of the Company had approved a Scheme of Arrangement ("the Scheme") between the Transferor Company and the Transferee Company. Pursuant to the Scheme, the Marine Business Undertaking ("Demerged Business") of the Transferor Company was transferred on slump sale basis to the Transferee Company with appointed date of April 01, 2016. After necessary approvals from the relevant stakeholders of both the companies, the Scheme was sanctioned by National Company Law Tribunal ("NCLT") at Ahmedabad vide its order dated July 31, 2017. The Scheme has become operative from August 14, 2017 upon filing of certified copy of the order of the NCLT, Ahmedabad with the Registrar of Companies.

The Company has accounted for the transaction in accordance with the accounting treatment prescribed in the Scheme as approved by the NCLT, Ahmedabad whereby the net assets of the Marine Business Undertaking amounting to ₹ 44,770.43 lacs of the Transferor Company as at April 1, 2016, being the appointed date, have been transferred to the transferee company for a consideration of ₹ 22,500.00 lacs. The shortage of the amount received as consideration and the net assets i.e. ₹ 22,270.13 lacs, as at the appointed date is adjusted to the balance of retained earnings.

Furthermore, pursuant to the demerger, the financial results of the Marine business undertaking w.e.f the appointed date till March 31, 2017 also stands transferred to the transferee company and is presented as an adjustment to the retained earnings.

AHPPL has not given effect in the comparative numbers for the period ended March 31, 2017. hence the figures for the current year are not comparable with the previous year. However, Statement of Profit and Loss and Statement of Cash flows of Marine Business Undertaking for the year ended March 31, 2017 would be as below:

a) Statement of Profit and Loss for the period April 01, 2016 to March 31, 2017

Particular	₹ in Lacs
Total Revenue	13,807.16
Total Expense	4,304.75
Profit before tax	9,502.41
Less : Deferred Tax impact on transfer of Marine business undertaking	2,497.43
Less : Current Tax impact on transfer of Marine business undertaking	1,424.96
Profit after tax	5,580.02

b) Statement of Cash flow for the period April 01, 2016 to March 31, 2017

Particular	₹ in Lacs
Cash inflow from Operating Activities	12,000.60
Cash outflow from Investing Activities	(12,000.60)
Cash flow from Financing Activities	-
Net Increase / (Decrease) in Cash & Cash Equivalents	-

- 39 Disclosure of significant interest in subsidiaries as per Ind AS 27 para 17.

SN	Name of Entities	Relationship	Place of Business	Ownership %	
				As at March 31, 2018	As at March 31, 2017
1	Hazira Infrastructure Private Limited	Subsidiary	India	100	100
2	Hazira Road Infrastructure Private Limited	Subsidiary	India	-	100

Note : The Company is wholly owned subsidiary of Adani Ports and Special Economic Zone Limited, Holding Company which has prepared consolidated financials statement for the year ended March 31, 2018. Accordingly, the Company has availed an exemption as per Ind AS 110 paragraph 4(a) (i) for not preparing the consolidated financial statements.

- 40 Exposure Drafts and Accounting Standards not yet notified

On March 28, 2018, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying amendments to the following Ind AS's. These amendments are applicable from April 1, 2018.

Appendix B to Ind AS 21, foreign currency transactions and advance consideration

The Appendix B to Ind AS 21 clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- The beginning of the reporting period in which the entity first applies the Appendix, or
- The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after April 1, 2018.

The Company is evaluating the requirements of the amendments and the effects on the financial statements, which is not expected to be material.

Ind AS 115 - Revenue from Contract with Customers

The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach), the effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company is evaluating the requirements of the new accounting standard and the possible transition adjustments for disclosure of comparatives for the year ended March 31, 2018, and the effects thereon on the financial statements, which could be significant.

Ind AS 112 Disclosure of Interests in Other Entities

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10-B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale.

These amendments are unlikely to affect the Company's financial statements.

Adani Hazira Port Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

Ind AS 12 Income Taxes

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after April 1, 2018.

These amendments are unlikely to affect the Company's financial statements.

Ind AS 40 Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

These amendments are unlikely to affect the Company's financial statements.

Ind AS 28 Investment in Associates and Joint Ventures

The amendments clarify that a venture capital organisation or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture. Further, Ind AS 28 permits an entity that is not an investment entity to retain the fair value measurement applied by its associates and joint venture (that are investment entities) when applying the equity method. Therefore, this choice is available, at initial recognition, for each investment entity associate or joint venture.

These amendments are unlikely to affect the Company's financial statements.

41 Event occurred after the Balance Sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 02, 2018, there were no subsequent events to be recognised or reported that are not already disclosed except the supreme court order dated April 23, 2018 for Essar Bulk case against the company in which the order has been passed in favor of the Company and asked the authority to refund ₹ 2,500 Lacs paid under protest along with interest to the Company. (refer note 36)

For and on behalf of Board of Directors

Unmesh Abhyankar
[Director]
DIN: 03040812

Sandeep Mehta
[Managing Director]
DIN: 00897409

Manoj Chanduka
[Company Secretary]

Anand Singhal
[Chief Financial Officer]

Place: Ahmedabad
Date: May 02, 2018