INDEPENDENT AUDITOR'S REPORT

To the Members of Adani Vizhinjam Port Private Limited

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

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

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

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

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 2” to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

per Santosh Aggarwal
Partner
Membership Number: 93669
Place of Signature: Ahmedabad
Date: April 30, 2018

Annexure 1 referred to in paragraph on Report on Other Legal and Regulatory Requirements of our report of even date

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

(b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the Company does not have immovable properties included in the Property, Plant and Equipment and accordingly, the reporting requirements under paragraph 3(i)(c) of the Order are not applicable to the Company and hence not commented upon.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

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

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

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

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

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to banks. The Company does not have any outstanding dues to government or debenture holders during the year.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of initial public offer / further public offer /debt instruments and term loans for the purposes for which they were raised.

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

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

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

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

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

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

per Santosh Aggarwal
Partner
Membership Number: 93669
Place of Signature: Ahmedabad
Date: April 30, 2018

Annexure 2 to the Independent Auditor's Report of Even Date on the Ind-AS Financial Statements of Adani Vizhinjam Port Private Limited

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

We have audited the internal financial controls over financial reporting of Adani Vizhinjam Port Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Santosh Aggarwal
Partner
Membership Number: 93669
Place of Signature: Ahmedabad
Date: April 30, 2018

Adani Vizhinjam 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	192.03	188.53
Capital Work-in-Progress	3	85,402.45	49,449.41
Other Intangible assets	3	1.08	-
Other Non-Current Assets	5	41,333.56	45,415.94
		126,929.12	**95,053.88**
Current assets			
Financial assets			
(i) Cash and Cash Equivalents	6	28.38	353.66
(ii) Bank balance other than cash and cash equivalents	7	2,713.00	-
(iii) Other Financial Assets	4	10,599.00	8.82
Other Current Assets	5	107.42	179.54
		13,447.80	**542.02**
Total Assets		**140,376.92**	**95,595.90**
Equity and Liabilities			
Equity			
Equity Share Capital	8	19,995.63	19,995.63
Other Equity	9	(620.64)	(535.17)
		19,374.99	**19,460.46**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	10	83,490.62	57,110.96
Net Employee Defined Benefit Liabilities	12	14.31	26.12
Other Non-Current Liabilities	13	31,480.64	15,305.74
		114,985.57	**72,442.82**
Current Liabilities			
Financial Liabilities			
(i) Trade Payables	14	60.26	26.94
(ii) Other Financial Liabilities	11	5,790.76	3,221.96
Other Current Liabilities	13	153.51	403.28
Net Employee Defined Benefit Liabilities	12	11.83	40.44
		6,016.36	**3,692.62**
Total Liabilities		**121,001.93**	**76,135.44**
Total Equity and Liabilities		**140,376.92**	**95,595.90**

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

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

per Santosh Aggarwal
Partner
Membership No. 93669

Place: Ahmedabad
Date: April 30,2018

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

Rajesh Kumar Jha
[Managing Director]
DIN: 03387711

Karan Adani
[Director]
DIN: 03088095

Nilanjan Bhattacharya
[Chief Financial Officer]

Daljeet Singh Sando
[Company Secretary]

Place: Ahmedabad
Date: April 30,2018

Adani Vizhinjam 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
Expenses			
Employee benefits expense	15	0.12	-
Depreciation and Amortization Expense	3	11.39	4.76
Finance Costs	16	0.04	8.76
Other Expenses	17	25.23	180.29
Total Expense		**36.78**	**193.81**
(Loss) before exceptional items and tax		(36.78)	(193.81)
Exceptional items		-	-
(Loss) Before Tax		**(36.78)**	**(193.81)**
Tax Expense:			
Current Tax - on Interest Income during project period	18	48.69	-
Total Tax Expense		**48.69**	**-**
(Loss) for the year		**(85.47)**	**(193.81)**
Other Comprehensive Income		-	-
Total Comprehensive Income for the year net of tax		**(85.47)**	**(193.81)**
Loss per Share - (Face value of ₹ 10 each)			
Basic and Diluted (in ₹)	20	**(0.04)**	**(0.14)**

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

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

per Santosh Aggarwal
Partner
Membership No. 93669

Place: Ahmedabad
Date: April 30,2018

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

Rajesh Kumar Jha
[Managing Director]
DIN: 03387711

Karan Adani
[Director]
DIN: 03088095

Nilanjan Bhattacharya
[Chief Financial Officer]

Daljeet Singh Sando
[Company Secretary]

Place: Ahmedabad
Date: April 30,2018

Adani Vizhinjam Port Private Limited

Statement of Cash Flows for the year ended March 31, 2018

₹ in Lacs

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A.	**Cash Flow from Operating Activities**		
	Loss before tax	(36.78)	(193.81)
	Adjustments for:		
	Depreciation and Amortisation Expense	11.39	4.76
	Interest Expense	0.04	8.76
	Operating (Loss) Before Working Capital Changes	**(25.35)**	**(180.29)**
	Adjustment for :		
	(Increase) in Other Financial Assets	(6,766.30)	(5.82)
	(Increase) in Other Assets	(4,697.63)	(4,220.99)
	Increase in Trade Payables	33.32	15.50
	(Decrease)/Increase in Net Employee Defined Benefit	(40.42)	66.56
	(Decrease)/Increase in Other Liabilities	(249.77)	337.60
	Increase in Financial Liabilities	-	0.55
	Cash generated from operations	**(11,746.15)**	**(3,986.89)**
	Direct Taxes paid (net of Refunds)	403.07	16.09
	Net Cash Flow from Operating Activities	**(12,149.22)**	**(4,002.98)**
B.	**Cash Flows from Investing Activities**		
	Purchase of Property, Plant and Equipments (Including capital work In progress and capital advances)	(36,421.54)	(71,983.67)
	Realisation of capital advance along with incidental cost (refer note 27(c))	14,922.74	-
	Interest received	164.39	-
	Deposit with bank	(2,713.00)	-
	Net Cash Outflow from Investing Activities	**(24,047.42)**	**(71,983.67)**
C.	**Cash Flows from Financing Activities**		
	Proceeds from Issuance of Share Capital	-	19,990.63
	Proceeds from Inter Corporate Deposit (refer note 3 below)	41,716.47	54,415.71
	Repayment of Inter Corporate Deposit (including short-term)	(15,402.39)	-
	Repayment of Borrowings under Suppliers Credit	-	(12,127.42)
	Receipt of Advance against Funded Works	14,630.00	14,630.00
	Payment of interest and finance charges (refer note 3 below)	(5,072.73)	(807.90)
	Net Cash Flow from Financing Activities	**35,871.35**	**76,101.02**
D.	**Net Increase in Cash & Cash Equivalents (A + B + C)**	(325.29)	114.37
E.	**Cash and Cash Equivalents at the Beginning of the Year (refer note 6)**	**353.66**	**239.29**
F.	**Cash & Cash Equivalents at the End of the Year (refer note 6)**	**28.38**	**353.66**

Notes:

Component of Cash and Cash Equivalents		
Balances with Scheduled Bank		
On Current Accounts	28.38	353.66
Cash and Cash Equivalents at the End of the Year	**28.38**	**353.66**

Summary of significant accounting policies refer note 2.2

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

(2) Disclosure as required under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is presented under note 11 to financial statements.

(3) During the year, the borrowing cost of ₹ 65.58 lacs paid by the parent company on behalf of the company has been added in the inter - corporate deposits. The impact of the aforesaid transaction was not given in the cash flow from financing activities considering the same as non - cash transaction.

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

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

per Santosh Aggarwal
Partner
Membership No. 93669

Rajesh Kumar Jha
[Managing Director]
DIN: 03387711

Karan Adani
[Director]
DIN: 03088095

Nilanjan Bhattacharya
[Chief Financial Officer]

Daljeet Singh Sando
[Company Secretary]

Place: Ahmedabad
Date: April 30,2018

Place: Ahmedabad
Date: April 30,2018

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

₹ in Lacs

Particulars	Equity Share Capital	Reserves and Surplus	Total
		Retained Earning	
Balance as at April 01, 2016	**5.00**	**(341.36)**	**(336.36)**
(Loss) for the year	-	(193.81)	(193.81)
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year	**-**	**(193.81)**	**(193.81)**
Shares issued during the year	19,990.63	-	**19,990.63**
Balance as at March 31, 2017	**19,995.63**	**(535.17)**	**19,460.46**
(Loss) for the year	-	(85.47)	(85.47)
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year	**-**	**(85.47)**	**(85.47)**
Share issue during the year	-	-	-
Balances as at March 31, 2018	**19,995.63**	**(620.64)**	**19,374.99**

The accompanying notes are an integral part of the financial statements

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

per Santosh Aggarwal
Partner
Membership No. 93669

Place: Ahmedabad
Date: April 30,2018

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

Rajesh Kumar Jha
[Managing Director]
DIN: 03387711

Karan Adani
[Director]
DIN: 03088095

Nilanjan Bhattacharya
[Chief Financial Officer]

Daljeet Singh Sando
[Company Secretary]

Place: Ahmedabad
Date: April 30,2018

1 Corporate information

Adani Vizhinjam Port Private Limited ("AVPPL" or "the Company") was incorporated on July 27, 2015 as a 100% subsidiary of Adani Ports and Special Economic Zone Limited (Parent Company or "APSEZL") with an objective for development of multipurpose seaport at Vizhinjam, Kerala including development of specific assets as funded work (collectively referred as 'Project').The Company has entered into a Concession Agreement with Government of Kerala (Authority) dated August 17, 2015 for Appointed Date i.e. December 05, 2015, under the Design, Build, Finance, Operate and Transfer ("DBFOT") scheme. As at year ended March 31, 2018, the development of multipurpose seaport is in progress.

The financial statements were authorised for issue in accordance with the resolution of directors on April 30,2018.

2 Basis of preparation

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

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

-Defined Benefit Plans - Plan Assets measured at fair value; and

-Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

In addition, the financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated. The financial statements provide comparative information in report of the previous period.

2.2 Summary of significant accounting policies

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is treated as current when:

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

The Company classifies all other liabilities as non-current

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

b) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above,

The Company applied for the first time certain amendments to the Ind AS 7, which are effective for annual periods beginning on or after 1 April 2017. The nature and the impact of amendment is disclosed in note 11(i)

c) Property, plant and equipment (PPE)

Property, Plant and Equipment (including Capital work in progress) are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, directly and indirectly attributable costs arising directly from the construction / development and borrowing costs if capitalization criteria are met directly attributable cost of bringing the asset / project to its working condition for the intended use.

Capital work in progress included in property,plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the borrowing costs for long-term construction projects if the recognition criteria are met.

Capital work in progress comprises of construction cost of multipurpose seaport including funded works as per the terms of the Concession Agreement. Cost of Capital work in progress includes direct cost in the nature of Engineering, Procurement and Construction Charges (EPC Charges) paid / payable to Contractors and Other direct and indirect cost incurred during the construction phase which are attributable to development of the project.

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

All other costs are recognized in profit or loss as incurred.

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

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

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

d) 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, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. 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.

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

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

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

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

e) Foreign currency transactions

The Company's financial statements are presented in INR, which is functional currency of the Company. The Company determines the functional currency and items included in the financial statements are measured using that functional currency. However, for practical reasons, the Company uses an average rate if the average approximate the actual rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

f) Transactions and balances

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

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

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

g) Retirement and other employee benefits

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

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

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

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

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

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

h) Borrowing Costs

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

i) Related Party Transactions

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

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 fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

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

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

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

k) Earnings per share

The Basic earning per share has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the period.
For the purpose of calculating diluted earning per share , the profit the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

l) Segment Reporting

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

m) Government Grants

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

n) Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

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

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

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except
- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:
When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

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

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

o) Impairment of non-financial assets

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

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

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

p) Provisions

General

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

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

q) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

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

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

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 19)

-Financial instruments (including those carried at amortised cost) (refer note 19)

r) Financial instruments

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

> 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 as

> Debt instruments at amortised cost

Debt instruments at amortised cost

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

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

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

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

Derecognition

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

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

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

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

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

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances.

For recognition of impairment loss on other financial assets and risk exposure, the 12 Month ECL is used to provide if credit risk has not increased significantly and 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.

> Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Loans and borrowings

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

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

This category generally applies to borrowings.

Derecognition

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

Reclassification of financial assets

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

Offsetting of financial instruments

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

2.3 Significant accounting estimates and assumptions

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

Estimates and assumptions

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

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.

Fair value measurement of financial instruments

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

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Adani Vizhinjam Port Pvt Ltd
Notes to Financials statements for the year ended March 31, 2018
Note 3(a) - Property, plant and equipment

₹ in Lacs

Particulars	Property, plant and equipment								Intangible assets		
	Leasehold land	Building	Computer Hardware	Office Equipments	Plant & Equipment	Furniture & Fixtures	Vehicles	Total	Software	Total	Grand Total
Cost											
As at April 1, 2016	*-	-	-	-	-	-	-	-	-	-	-
Additions	-	89.45	25.36	5.50	68.86	12.49	-	201.66	-	-	201.66
As at March 31, 2017	*-	**89.45**	**25.36**	**5.50**	**68.86**	**12.49**	-	**201.66**	-	-	**201.66**
Additions	-	2.44	21.51	3.42	-	0.77	1.10	29.23	1.16	1.16	30.39
As at March 31, 2018	*-	**91.88**	**46.87**	**8.92**	**68.86**	**13.25**	**1.10**	**230.88**	**1.16**	**1.16**	**232.04**
		-	-	-	-	-	-	-	-	-	-
Depreciation/amortisation		-	-	-	-	-	-	-	-	-	-
As at April 1, 2016	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year		6.33	2.79	0.77	2.04	1.20	-	13.13	-	-	13.13
As at March 31, 2017	-	**6.33**	**2.79**	**0.77**	**2.04**	**1.20**	-	**13.13**	-	-	**13.13**
Depreciation for the year	-	8.98	6.59	1.23	5.42	3.48	0.01	25.72	0.08	0.08	25.80
As at March 31, 2018	-	**15.31**	**9.38**	**2.00**	**7.46**	**4.68**	**0.01**	**38.85**	**0.08**	**0.08**	**38.92**
Net Block											
As at March 31, 2017	*-	83.12	22.57	4.73	66.82	11.29	-	188.53	-	-	188.53
As at March 31, 2018	*-	76.57	37.49	6.92	61.40	8.57	1.09	192.03	1.08	1.08	193.12

* Figures being nullified on conversion to₹ in lacs, leasehold land is held at₹ 1

Notes:

a) Out of Depreciation expenses of₹ 25.72 lacs, depreciation expense pertaining to Building and Plant and Equipment amounting to ₹ 14.41 lacs is transferred to Capital work in progress as cost directly attributable to construction of project asset.

b) The Company has elected to continue with the carrying value for all of its Property, plant and equipment as recognised in its previous GAAP financial, as deemed cost at the transition date i.e. April 1, 2015 as per option permitted under Ind AS 101 for the first time adoption.

Note 3(b) Capital Work in Progress

₹ in Lacs

Particulars	Amount
As at March 31, 2018	85,402.45
As at March 31, 2017	49,449.41

Refer note 27 for break up of cost component of Capital Work in Progress.

		As at March 31, 2018 ₹ In Lacs	As at March 31, 2017 ₹ In Lacs
4 Other Financial Assets			
Unsecured, considered good			
Current			
Security and other deposits		6.50	6.05
Interest accrued on bank deposits		20.29	-
Interest accrued on advance to contractor (including capital advance)		3,803.59	-
Advance to contractor (refer note below)		6,766.03	-
Loans and advances to employees		2.59	2.77
	TOTAL	**10,599.00**	**8.82**

Note:
(i) Advance given to EPC Contractor against project services and the balance carries interest @ 10.5 % p.a. as per the terms agreed with contractor.

		As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
5 Other Assets			
Non Current			
Capital Advances			
Unsecured, considered good (refer note a)		31,694.09	40,900.60
	(A)	**31,694.09**	**40,900.60**
Others (Unsecured)			
Prepaid Expenses		110.09	168.32
Goods and Service Tax (GST) Credit		9,158.91	4,330.93
Advance tax (Net of Provision for taxation: ₹ **48.69** Lakhs)(previous year ₹ Nil)		370.47	16.09
	(B)	**9,639.47**	**4,515.34**
	TOTAL (A+B)	**41,333.56**	**45,415.94**
Current			
Advances recoverable in cash or in kind			
Unsecured, considered good		31.12	45.25
Others (Unsecured)			
Prepaid Expenses		76.30	134.29
	TOTAL	**107.42**	**179.54**

Notes:
(a) Capital Advance includes mobilisation advance paid to EPC Contractor towards construction of Jetty, Back up Yard and Other Infrastructure, Dredging & Reclamation work and construction of funded works. Further, as per the terms of the agreement, the Company charges interest @ 10.5% p.a. pending submission of the Performance and Advance Bank Guarantee by the Contractor.

		As at March 31, 2018 ₹ In Lacs	As at March 31, 2017 ₹ In Lacs
6 Cash and Cash Equivalents			
Balances with banks:			
Balance in current account		28.38	353.66
	TOTAL	**28.38**	**353.66**

	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
7 Bank balances other than cash and cash equivalents		
Deposits with original maturity over 3 months but less than 12 months	2,713.00	-
	2,713.00	**-**

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		As at March 31, 2018 ₹ In Lacs	As at March 31, 2017 ₹ In Lacs
8	**Equity Share capital**		
	Authorised shares		
	20,00,00,000 Equity Shares of ₹ 10 each (20,00,00,000 Equity Shares of ₹ 10 each as at March 31, 2017)	20,000.00	20,000.00
	Issued, subscribed and fully paid up shares		
	19,9956,250 Equity Shares of ₹ 10 each (19,9956,250 Equity Shares of ₹ 10 each as at March 31, 2017)	19,995.63	19,995.63
	TOTAL	**19,995.63**	**19,995.63**

Notes:

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

	As at March 31, 2018		As at March 31, 2017	
	No in Lacs	₹ in Lacs	No in Lacs	₹ in Lacs
At the beginning of the year	1,999.56	19,995.63	0.50	5.00
Issued during the year	-	-	1,999.06	19,990.63
Outstanding at the end of the year	**1,999.56**	**19,995.63**	**1,999.56**	**19,995.63**

(b) Terms/rights attached to equity shares:

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

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

(c) Shares held by holding company

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

	As at March 31, 2018 ₹ In Lacs	As at March 31, 2017 ₹ In Lacs
Adani Ports and Special Economic Zone Limited, the parent company and its nominee		
19,99,56,250 equity shares (Previous year 19,99,56,250) of ₹ 10 each	19,995.63	19,995.63

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

	Particulars	As at March 31, 2018	As at March 31, 2017
Equity shares of ₹ 10 each fully paid			
Adani Ports and Special Economic Zone Limited, the parent company and its nominee	No in Lacs	1,999.56	1,999.56
	% Holding	100.00%	100.00%

		As at March 31, 2018 ₹ In Lacs	As at March 31, 2017 ₹ In Lacs
9	**Other Equity**		
	Retained Earnings		
	Opening Balance	(535.17)	(341.36)
	Add : (Loss) for the year	(85.47)	(193.81)
	Closing Balance TOTAL	**(620.64)**	**(535.17)**

		As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
10	**Borrowings**		
	Non-Current		
	Inter Corporate Deposit (refer note a,b) (Unsecured)	83,490.62	57,110.96
	TOTAL	**83,490.62**	**57,110.96**
	The above amount includes		
	Secured borrowings	-	-
	Unsecured borrowings	83,490.62	57,110.96
	Total borrowings TOTAL	**83,490.62**	**57,110.96**

Notes:

(a) The Inter Corporate Deposits from Adani Ports and Special Economic Zone Ltd, the parent company are interest bearing @ 11% per annum. The amounts are borrowed in installments and repayment schedule will be mutually agreed between the borrower and lender although loan has maturity of 10 years, since August 24, 2015.

(b) As per Loan agreement entered, the service of interest amount due and payable on quarterly basis. The Company has received waiver from the lender for the instances of delays in the interest payment due during the year.

11 Other Financial Liabilities	As at March 31, 2018 ₹ In Lacs	As at March 31, 2017 ₹ In Lacs
Current		
Interest accrued and due on borrowings (refer note no. 26)	2,028.78	940.86
Other Deposit	0.55	0.55
Capital creditors, retention money and other payable	3,761.43	2,280.55
TOTAL	**5,790.76**	**3,221.96**

Note:

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 **(₹ in Lacs)**

Particulars of Liabilities arising from Financing activity	As at April 01, 2017	Changes from financing cash flows (net)	Non cash changes	Other changes*	As at March 31, 2018
Inter Corporate Deposit	57,110.96	26,314.08	65.58	-	83,490.62
Advance against Funded Works	14,630.00	14,630.00	-	-	29,260.00
Interest Accrued but not due	1,616.60	(5,072.73)	(65.58)	7,771.14	4,249.42
Total Liabilities from financing activities	**73,357.56**	**35,871.35**	**-**	**7,771.14**	**117,000.04**

* Other changes represents interest accrued during the year

12 Net Employee defined benefit liabilities	As at March 31, 2018 ₹ In Lacs	As at March 31, 2017 ₹ In Lacs
Non-current		
Provision for gratuity (refer note 24)	14.31	26.12
	14.31	**26.12**
Current		
Provision for gratuity (refer note 24)	0.20	0.45
Provision for compensated absences	11.63	39.99
TOTAL	**11.83**	**40.44**

13 Other Liabilities	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Non Current		
Advance against Funded Works (refer note below)	29,260.00	14,630.00
Interest accrued but not due	2,220.64	675.74
TOTAL	**31,480.64**	**15,305.74**
Current		
Statutory liabilities	144.40	398.01
Other Advances	9.11	5.27
TOTAL	**153.51**	**403.28**

Note:-

An advance has been received from Government of Kerala ('Authority' or 'Grantor') against the Funded Works of the Project which includes Breakwater, Site Development and Fish lending berth etc. Out of total value of Funded Works of ₹ 1,46,300 lacs, the company has received the amount in phased manner as per the terms of concession agreement. Since presently the project, is under development phase, the grant has been classified as 'Advance against funded Works'. On completion of the construction of Funded Works, the total receipt against the Funded Works will be classified as Grant and will be amortised over the concession period.

14 Trade payables	As at March 31, 2018 ₹ In Lacs	As at March 31, 2017 ₹ In Lacs
Trade payables	60.26	26.94
TOTAL	**60.26**	**26.94**

15 Employee benefit expense

	For the year ended March 31, 2018 ₹ In Lacs	For the year ended March 31, 2017 ₹ In Lacs
Staff Welfare Expenses	0.12	-
	0.12	**-**

16 Finance Costs

	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Interest on		
Others	0.04	0.10
Bank and other finance charges	-	8.66
TOTAL	**0.04**	**8.76**

17 Other Expenses

	For the year ended March 31, 2018 ₹ In Lacs	For the year ended March 31, 2017 ₹ In Lacs
Advertisement and Publicity	13.57	2.73
Rates and Taxes	0.26	156.63
Legal and Professional Expenses	0.42	-
Payment to Auditors (refer note 1 below)	4.59	3.71
Communication Expenses	2.45	-
Repair and Maintenance	-	2.85
Directors Sitting Fee	1.17	0.78
Miscellaneous Expenses	2.77	13.59
TOTAL	**25.23**	**180.29**

Note: 1

Payment to Auditor	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
As Auditor:		
Audit fee	3.00	2.00
Limited review	1.50	1.35
In other Capacity		
Certification Fees	-	0.35
Reimbursement of expenses	0.09	0.01
TOTAL	**4.59**	**3.71**

18 Income Tax

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

(a) Statement of profit and loss	March 31, 2018 ₹ In Lacs	March 31, 2017 ₹ In Lacs
Current income tax:		
Current Tax - on Interest Income during project period	48.69	-
Income tax expenses reported in statement of profit and loss	**48.69**	**-**

(b) Balance sheet Section	March 31, 2018 ₹ In Lacs	March 31, 2017 ₹ In Lacs
Advance tax (Net of Provision for taxation: ₹ 48.69 lacs) (previous year ₹ Nil) (refer note 5)	370.47	16.09
	370.47	**16.09**

(c) Reconciliation of tax expenses and the accounting loss

	March 31, 2018 ₹in Lacs	March 31, 2017 ₹ In Lacs
Accounting loss before taxation	(36.78)	(193.81)
Tax using the company's domestic rate @ 27.5525%	(10.13)	(53.40)
Tax Effect of:		
Tax on interest income during project period	48.69	-
Non deductible tax expenditure	10.13	53.40
Income tax expenses recognised on profit and loss	**48.69**	**-**

19 Financial Instruments, Financial Risk and Capital Management :

19.1 Category-wise Classification of Financial Instruments:

₹ In Lacs

Particulars	Refer Note	As at March 31, 2018	
		Amortised Cost	Carrying Value
Financial Asset			
Cash and Cash Equivalents	6	28.38	28.38
Other Bank balance	7	2,713.00	2,713.00
Other financial assets	4	10,599.00	10,599.00
Total		**13,340.38**	**13,340.38**
Financial Liabilities			
Borrowings	8	83,490.62	83,490.62
Trade payables	12	60.26	60.26
Other financial liabilities	9	5,790.76	5,790.76
Total		**89,341.64**	**89,341.64**

₹ In Lacs

Particulars	Refer Note	As at March 31, 2017	
		Amortised Cost	Carrying Value
Financial Asset			
Cash and Cash Equivalents	6	353.66	353.66
Other financial assets	4	8.82	8.82
Total		**362.48**	**362.48**
Financial Liabilities			
Borrowings	8	57,110.96	57,110.96
Trade payables	12	26.94	26.94
Other financial liabilities	9	3,221.96	3,221.96
Total		**60,359.86**	**60,359.86**

19.2 Financial Instrument measured at Amortised Cost

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

19.3 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 projects. The Company's principal financial assets include loans, other receivables, and cash and cash equivalents that derive directly from its operations.

In the ordinary course of business, the company is mainly exposed to risks resulting from interest rate movements (interest rate risk) and liquidity risk.
The Company's risk management activities are subject to the management, direction and control of Central Treasury Team of the Adani Group under the framework of Risk Management Policy for Interest rate risk and liquidity risk as approved by the Board of Directors of the Company. The Group's central treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

Interest rate risk

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

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. Currently the Company is in project development phase.
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. Although the Company is in project phase, it requires funds to meet project committment.The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks and the parent company to ensure that there is sufficient cash to meet all its normal operating and project construction commitments in a timely and cost-effective manner.

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The table below analysis 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.

₹ in Lacs

Contractual maturities of financial liabilities as at March 31, 2018	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Borrowings (Refer Note 10)	-	-	-	83,490.62	83,490.62
Trade Payables (Refer Note 14)	-	60.26	-	-	60.26
Other Financial Liabilities (Refer Note 11)	-	5,790.76	-	-	5,790.76
Total	**-**	**5,851.02**	**-**	**83,490.62**	**89,341.64**

₹ in Lacs

Contractual maturities of financial liabilities as at March 31, 2017	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Borrowings (Refer Note 10)	-	-	-	57,110.96	57,110.96
Trade Payables (Refer Note 14)	-	26.94	-	-	26.94
Other Financial Liabilities (Refer Note 11)	-	3,221.96	-	-	3,221.96
Total	**-**	**3,248.90**	**-**	**57,110.96**	**60,359.86**

19.4 Capital management

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

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

₹ in Lacs

Particulars	March 31, 2018	March 31, 2017
Net debt (total debt less cash and cash equivalents)	89,313.26	60,006.20
Total capital	19,995.63	19,995.63
Total capital and net debt	109,308.89	80,001.83
Gearing ratio	81.71%	75.01%

20 Earnings per share

	March 31, 2018 ₹ In Lacs	March 31, 2017 ₹ In Lacs
loss attributable to equity shareholders of the company	(85.47)	(193.81)
Weighted average number of equity shares	1,999.56	1,402.49
Basic and Diluted earning per share (in ₹)	(0.04)	(0.14)

21 Capital commitments & other commitment

Capital commitments

₹ In Lacs

Particulars	March 31, 2018	March 31, 2017
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	232,353.57	241,866.29

Other commitments

₹ In Lacs

Particulars	March 31, 2018	March 31, 2017
As a part of Environmental Clearance obtained by the Vizhinjam International Sea Port Limited (VISL or 'the Concessionaire'), the Company has been obliged to incur expenditure of Rs. 3370 lacs towards 'Corporate Social Responsibility' along with development of Port Infrastructure under Phase - I and the same is included under the total Project cost. Out of total commitment of Rs. 3370 lacs, the Company has incurred Rs. 396 lacs till March 31, 2018.	2,974	3,243

22 Contingent liabilities not provided for

Based on the information available with the Company, there is ₹ nil (Previous year ₹ Nil) contingent liability at the period ended March 31, 2018.

23 Segment information

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

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24 Disclosures as required by Ind AS - 19 Employee Benefits

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

The following tables summarise the component of the net benefits expense recognised in the statement of profit and loss.

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	26.56	-
Current service cost	2.44	3.33
Interest cost	2.02	1.19
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	(0.40)	(4.69)
- experience variance	0.43	11.65
Benefits paid	(4.62)	-
Liability Transfer In	1.10	15.09
Liability Transfer out	(13.03)	-
Present value of the defined benefit obligation at the end of the year	**14.51**	**26.56**

b) 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	14.51	26.56
Amount recognised in the balance sheet	**14.51**	**26.56**
Net (liability)/asset - Current	**(0.20)**	**(0.45)**
Net (liability)/asset - Non-current	**(14.31)**	**(26.12)**

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

Particulars	March 31, 2018	March 31, 2017
Current service cost	2.44	3.33
Interest cost on benefit obligation	2.02	1.19
Less: Capitalised during the year (refer note 27)	(4.46)	(4.52)
Total Expenses included in employee benefits expense	**-**	**-**

d) 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	(0.40)	(4.69)
- experience variance	0.43	11.65
Return on plan assets, excluding amount recognised in net interest expense	-	-
Less: Capitalised during the year (refer note 27)	(0.03)	(6.95)
Recognised in comprehensive income	**-**	**-**

e) Maturity profile of Defined Benefit Obligation

Particulars	March 31, 2018	March 31, 2017
Weighted average duration (based on discounted cash flows)	14 Years	9 Years

₹ In Lacs

Expected Cash flows over the next (Value on undiscounted basis)	March 31, 2018	March 31, 2017
1 year	0.20	0.45
2 to 5 years	1.97	18.82
6 to 10 years	7.07	5.45
More than 10 years	41.59	40.20

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f) Quantitative sensitivity analysis for significant assumption is as below

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

Particulars	**March 31, 2018**		**March 31, 2017**	
Assumptions	**Discount rate**		**Discount rate**	
Sensitivity level	**1% Increase**	**1% Decrease**	**1% Increase**	**1% Decrease**
Impact on defined benefit obligations	**₹ In Lacs**	**₹ In Lacs**	**₹ In Lacs**	**₹ In Lacs**
	(1.81)	2.16	(2.26)	2.64

Particulars	**March 31, 2018**		**March 31, 2017**	
Assumptions	**Salary Growth rate**		**Salary Growth rate**	
Sensitivity level	**1% Increase**	**1% Decrease**	**1% Increase**	**1% Decrease**
Impact on defined benefit obligations	**₹ In Lacs**	**₹ In Lacs**	**₹ In Lacs**	**₹ In Lacs**
	2.16	(1.83)	2.63	(2.29)

Particulars	**March 31, 2018**		**March 31, 2017**	
Assumptions	**Attrition rate**		**Attrition rate**	
Sensitivity level	**0.5% Increase**	**0.5% Decrease**	**0.5% Increase**	**0.5% Decrease**
Impact on defined benefit obligations	**₹ In Lacs**	**₹ In Lacs**	**₹ In Lacs**	**₹ In Lacs**
	(0.13)	0.13	(0.05)	0.05

Particulars	**March 31, 2018**		**March 31, 2017**	
Assumptions	**Mortality rate**		**Mortality rate**	
Sensitivity level	**0.1% Increase**	**0.1% Decrease**	**0.1% Increase**	**0.1% Decrease**
Impact on defined benefit obligations	**₹ In Lacs**	**₹ In Lacs**	**₹ In Lacs**	**₹ In Lacs**
	0.01	(0.01)	0.01	(0.01)

Sensitivity Analysis Method

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

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

Particulars	**March 31, 2018**	**March 31, 2017**
Discount rate	7.80%	7.60%
Expected rate of return on plan assets	-	-
Rate of escalation in salary (per annum)	7.00%	7.00%
Mortality	As per table of sample mortality from India Assured Lives Mortality (2006-08)	As per table of sample mortality from India Assured Lives Mortality (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.

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

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26 Related Parties transactions

Particulars	Name of Company
Parent Company	Adani Ports and Special Economic Zone Ltd ('APSEZL')
Fellow Subsidiary	Karnavati Aviation Pvt Ltd The Dhamra Port Company Ltd Shanti Sagar International Dredging Private Limited Adani Vizag Coal Terminal Private Limited
Key Managerial Personnel	Mr. Santosh Kumar Mohapatra - Whole time director (upto 20.01.2018) Mr. Sanjay Majmudar - Non-Executive Director (upto 06.10.2017) Dr. Chitra Bhatnagar - Non-Executive Director Mr. Rajesh Kumar Jha - Managing Director (w.e.f. 29.01.2018) Mr. Nilanjan Bhattacharya - Chief Financial Officer (w.e.f. 07.11.2017) Mr. Daljeet Singh Sando - Company Secretary Mr. Dinesh Birla - Chief Financial Officer (upto 04.11.2017)

Terms and conditions of transactions with related parties

Outstanding balances of related parties at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 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.

₹ in Lacs

Transactions	Name of Related Party	March 31, 2018	March 31, 2017
Issue of Equity Shares	Adani Ports and Special Economic Zone Ltd	-	19,995.63
Inter-corporate deposit (taken)	Adani Ports and Special Economic Zone Ltd	41,782.05	57,110.96
Inter-corporate deposit (refund)	Adani Ports and Special Economic Zone Ltd	15,402.40	-
Interest Expense	Adani Ports and Special Economic Zone Ltd	8,076.52	1,700.10
Employee Liabilities transfer in	The Dhamra Port Company Ltd	0.68	23.39
Employee Liabilities transfer in	Adani Ports and Special Economic Zone Ltd	1.78	-
Employee Liabilities transfer out	Adani Ports and Special Economic Zone Ltd	19.07	-
Expenses Recovered	Shanti Sagar International Dredging Private Limited	3,629.07	-
Dredger Advances Recovered	Shanti Sagar International Dredgers Private Limited	11,293.67	-
Reimbursements	Adani Vizag Coal Terminal Private Limited	0.06	-
Services Availed	Karnavati Aviation Pvt Ltd	242.65	170.82
Remuneration	Mr. Santosh Kumar Mohapatra	177.84	188.20
	Mr. Dinesh Birla	13.57	53.96
	Mr. Nilanjan Bhattacharya	28.17	-
Sitting Fees	Mr. Sanjay Majmudar	0.47	0.39
	Dr. Chitra Bhatnagar	0.71	0.39

₹ in Lacs

Closing Balance	Name of Related Party	March 31, 2018	March 31, 2017
Trade payables	Adani Ports and Special Economic Zone Ltd	6.19	
Inter Corporate Deposit Payable	Adani Ports and Special Economic Zone Ltd	83,490.62	57,110.96
Interest accrued and due	Adani Ports and Special Economic Zone Ltd	2,028.78	940.86
Capital Creditors	Karnavati Aviation Pvt Ltd	-	35.02
Other Current Asset	Adani Vizag Coal Terminal Private Limited	0.06	
Other Current Asset	The Dhamra Port Company Ltd	23.33	23.39

Notes:

(1) The Company has utilised the limits available with the parent Company for the bank guarantees of ₹ 33,699.75 lacs (previous year ₹ 45,649.75 lacs) issued to various authorities and parties.

(2) The Company has utilised the non - fund based bank facilites available with the parent company for Foreign Letter of Credit of ₹ 21,274.58 lacs (previous year ₹ 525.07) issued by the company to the suppliers for procurement of project assets.

(3) Managing Director and Company Secretary of the Company are in employment with the parent company and Other Group Company and are paid remuneration by the parent company and the respective group company.

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

₹ in Lacs

Particulars	As at March 31, 2018	As at March 31, 2017
A) Capital Work in Progress		
Direct Cost		
Opening Balance	44,301.05	1,567.80
Engineering, Procurement and Construction charges to Contractors (including Funded Works) (Refer Note - a and b below)	27,389.07	42,793.54
Weigh bridge under development		
Development charges	-	39.52
Information Technology Networking		
Site office refurbishment charges	-	23.11
Less: Transfer/ Capitalised to Property, Plant and Equipment	-	(122.93)
Total Capital Work in Progress (A)	**71,690.12**	**44,301.05**
B) Other costs directly attributable to construction / development (including borrowing cost)		
Opening Balance	**5,148.36**	**1,274.49**
i) Borrowing Cost		
Bank charges (Net of Recovery of Rs.596.77 lacs) (Refer Note - b)	346.27	395.93
Interest Expenses (Net of Recovery of Rs. 2,196.56 lacs) (Refer Note - b)	7,424.83	2,376.11
Loss on foreign exchange fluctuation	-	83.07
	7,771.09	**2,855.10**
ii) Depreciation (refer note 3)	14.40	8.37
iii) Other Project Cost		
Environmental Consultancy / Monitoring	308.30	191.52
Project consultancy expenses	263.79	41.87
	572.08	**233.39**
iv) Other Expenses		
Rent expense	23.13	15.91
Rates and taxes	80.96	46.31
Repair & Maintenance	1.68	16.28
Salaries, Wages & Bonus	395.48	398.74
Gratuity Expenses (incl. remeasurement of defined benefit plan) (Refer note - 24)	4.49	11.47
Traveling and conveyance	289.82	220.24
Project related Community Development Expenditure	269.41	126.80
Insurance	113.55	
IT Works	-	18.07
Consultancy Services	25.33	21.99
Miscellaneous expenses	52.76	62.07
	1,256.62	**937.89**
Total Expenditure during construction (EDC) (B)	**14,762.54**	**5,309.24**
C) Other Income		
Interest Income	(176.70)	(160.88)
Other Miscellaneous Income	(7.98)	-
Recovery of loss on Foreign exchange fluctuation (Refer Note - b)	(835.16)	-
Total Income during construction (C)	**(1,019.84)**	**(160.88)**
D) EDC allocated / transfer to Property, Plant and Equipment (D)	**(30.37)**	-
E) Closing Expenditure during construction (E) (B+C+D)	**13,712.33**	**5,148.36**
Total Capital Work In Progress (A+E)	**85,402.45**	**49,449.41**

Notes:

(a) The Company has awarded EPC contracts for Construction of Jetty, Back Up Yard and Other Infrastructure and Dredging & Reclamation work for development of port infrastructure including for Funded works in terms of the Concession Agreement with Government of Kerala.

(b) On October 05, 2017, the Company has entered into an amendment agreement to Service Contract Agreement dated May 18, 2016 for Dredging & Reclamation Work which was entered with Contractor, whereby the contract terms and total contract value has increased from ₹ 42,500 lacs to ₹ 75,000 lacs. Pursuant to the aforesaid amendment in the Service Contract Agreement, and based on the terms agreed between the Company and the Contractor, such an increase in contract value is being effective from the original contract date is based on an option as envisaged in the Projects original tender documents, as option II. The Company based on the revised terms of the Contract has accepted and accounted the additional invoice of ₹ 14,223 lacs received from the Contractor, against the earlier services representing the value of differential amount to the revised contract value based on the milestone completed till April 2017 from the original date of the contract with revised contract price.

(c) On September 04, 2017, the Company has entered into Deed of Novation with IHC Holland B.V (IHC) and Shanti Sagar International Dredging Private Limited (SSIDPL) to transfer the Company's rights, powers, titles, interests, benefits, obligations and liabilities under the Ship Building Contract to SSIDPL on as is basis. On the effective date of the deed of novation i.e. all rights, titles, interests, benefits, obligation and liabilities of the Company under the Ship Building Contract incl. mobilisation & other advances of ₹ 11,293.67 lacs paid by the Company to IHC are transferred to SSIDPL. Accordingly, the Company has recovered Mobilisation Advance and other charges (interest paid on borrowed fund, other finance charges including fluctuation in foreign exchange) amounting to ₹ 14,922.74 lacs from SSIDPL.

28 Standard issued but not effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

1. Ind AS 115-Revenue from Contract with Customers
2. Ind AS 21-The effect of changes in foreign exchanges rates
3. Ind AS 40-Investment Property
4. Ind AS 12-Income Taxes
5. Ind AS 28-Investment in Associates and Joint Ventures
6. Ind AS 112-Disclosure of Interest in Other Entities

The Company's assessment of the potential effect of the amendments on its financial statements are as follows:

(i) Amendments to Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company being in Project Phase, not resulting into recognition of revenue till the financial closure of the Project and commencement of commercial operation and thus the impact of IND AS 115 would not be applicable to the Company.

(ii) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix 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 derecognition 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:
(i) The beginning of the reporting period in which the entity first applies the Appendix, or
(ii) 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 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

(iii) Amendments to Ind AS 40 - Transfers of 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.

The amendments are effective for annual periods beginning on or after 1 April 2018. These amendments does not have any measurement and disclosure impact as the Company has no Investment Property as at March 31, 2018

(iv) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

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 1 April 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

(v) Amendments to Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is

The amendments clarify that:

• An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.

• If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 April 2018. These amendments are not applicable to the company as the Company has no investments in associates and Joint Ventures as at March 31, 2018

(vi) Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

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.

The amendments should be applied retrospectively and are effective from April 01, 2018. These amendments are not applicable to the company as the entity does not have interest in a subsidiary, a Joint Venture or an associate.

29 Events occurring after the Balance sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of April 30, 2018, there were no subsequent events to be recognized or reported that are not already disclosed.

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

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

per Santosh Aggarwal
Partner
Membership No. 93669

Place: Ahmedabad
Date: April 30,2018

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

Rajesh Kumar Jha
[Managing Director]
DIN: 03387711

Karan Adani
[Director]
DIN: 03088095

Nilanjan Bhattacharya
[Chief Financial Officer]

Daljeet Singh Sando
[Company Secretary]

Place: Ahmedabad
Date: April 30,2018