Independent Auditor’s Report

To the Members of Mundra International Airport Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of Mundra International Airport Private Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as “Ind AS Financial Statements”).

Management’s Responsibility for the Ind AS Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation and presentation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these Ind AS Financial Statements based on our audit.

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

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

We believe that the audit evidence 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 aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2018 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Independent Auditor's Report
To the Members of Mundra International Airport Private Limited (Continue)

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 "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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

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

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

   c) the Balance Sheet, the Statement of Profit and Loss, the Statement Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d) in our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

   e) on the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B";

   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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **DHARMESH PARIKH & CO.**
Chartered Accountants
Firm Reg. No. 112054W

Place : Ahmedabad
Date : April 28, 2018

Anuj Jain
Partner
Membership No. 119140

Annexure - A to the Independent Auditor's Report
RE: Mundra International Airport Private Limited

(Referred to in Paragraph 1 of our Report of even date)

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Ind AS Financial Statements for the year ended 31st March, 2018, we report that:

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

(b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business.

(c) According to the information and explanations given to us and representations made by the Management, the Company does not have any immovable property except for Boundry wall and Runway constructed on Leased Land. Accordingly the provisions of paragraph 3 (i) (c) of the Order are not applicable.

(ii) The Company being in the service industry carries inventory in the form of Stores and Spares only. Accordingly the provisions of paragraph 3 (ii) (a) & (b) of the Order are not applicable.

(iii) According to the information and explanation given to us and the records produced to us for our verification, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions of paragraph 3(iii) (a) to (c) of the Order are not applicable.

(iv) According to the information and explanations given to us and representations made by the Management, the Company has not done any transactions covered under section 185 and 186 in respect of loans, investments, guarantees and security. Accordingly the provisions of paragraph 3(iv) of the Order are not applicable.

(v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

(vi) According to the information and explanations given to us and in our opinion, the maintenance of cost records under section 148(1) of the Act as prescribed by the Central Government are not applicable to the Company.

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

According to the information and explanations given to us, no undisputed amounts payable in respect of the above mentioned statutory dues were in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.

(b) According to the records of the Company and representations made by the Management, there are no statutory dues as mentioned in paragraph 3(vii)(a) which have not been deposited on account of any dispute.

(Referred to in Paragraph 1 of our Report of even date)

(viii) The Company has not taken any loan either from banks, financial institutions or from the government and has not issued any debentures. Accordingly the provisions of paragraph 3(viii) of the Order are not applicable.

(ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised money by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid/ provided. Accordingly the provisions of Clauses 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a nidhi Company. Accordingly the provisions of Clauses 3(xii) of the Order are not applicable.

(xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 177 and 188 of Companies Act 2013 and all the details have been disclosed in Ind AS Financial Statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any debenture during the year under review. Accordingly the provisions of paragraph 3(xiv) of the Order are not applicable.

(xv) According to the information and explanations given to us and on the basis of our examination of the records, Company has not entered into any non-cash transactions with any director or any person connected with him. Accordingly the provisions of Clauses 3(xv) of the Order are not applicable to the Company.

(xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable.

For **DHARMESH PARIKH & CO.**
Chartered Accountants
Firm Reg. No. 112054W

Place : Ahmedabad
Date : April 28, 2018

Anuj Jain
Partner
Membership No. 119140

Annexure – B to the Independent Auditor's Report
RE: Mundra International Airport Private Limited

(Referred to in Paragraph 2(f) of our Report of even date)

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 the company as of 31st March, 2018 in conjunction with our audit of the Ind AS Financial Statements of the company for the year ended on that date.

Management's Responsibilities for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(Referred to in Paragraph 2(f) of our Report of even date)

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DHARMESH PARIKH & CO.**
Chartered Accountants
Firm Reg. No. 112054W

Place : Ahmedabad
Date : April 28, 2018

Anuj Jain
Partner
Membership No. 119140

Mundra International Airport Private Limited
Balance Sheet as at March 31, 2018

Amt in `

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3	5,53,80,125	6,45,36,287
Financial assets			
Investments	4	38,000	38,000
Income tax assets (net)		4,00,000	4,00,000
Deferred tax assets (net)	13	-	-
		5,58,18,125	**6,49,74,287**
Current assets			
Inventories	7	1,02,029	1,02,029
Financial assets			
Trade receivables	5	1,18,00,000	38,80,000
Cash and cash equivalents	8	1,62,137	2,44,875
Other current assets	6	73,779	2,60,794
		1,21,37,945	**44,87,698**
Total assets		**6,79,56,070**	**6,94,61,985**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	9	3,50,00,000	3,50,00,000
Other equity			
Equity component of borrowing	10	1,56,83,220	1,55,28,076
Retained earnings	10	(4,64,82,413)	(3,75,02,324)
Total equity		**42,00,807**	**1,30,25,752**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	11	6,04,76,880	5,53,83,388
		6,04,76,880	**5,53,83,388**
Current liabilities			
Financial liabilities			
Trade payables	15	16,48,686	9,84,942
Other current financial liabilities	12	1,17,534	52,263
Other current liabilities	14	15,12,163	15,640
		32,78,383	**10,52,845**
Total liabilities		**6,37,55,263**	**5,64,36,233**
Total equity and liabilities		**6,79,56,070**	**6,94,61,985**
Summary of significant accounting policies	**2.1**		

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

For DHARMESH PARIKH & CO.
Chartered Accountants
ICAI Firm Registration No.: 112054W

Anuj Jain
Partner
Membership No. 119140

Place: Ahmedabad
Date: April 28,2018

For and on behalf of Board of Directors of
Mundra International Airport Private Limited

Ashutosh Verma
Director
DIN: 08038591

Unmesh Abhyankar
Director
DIN: 03040812

Place: Ahmedabad
Date: April 28, 2018

Mundra International Airport Private Limited
Statement of Profit and Loss for the year ended March 31, 2018

Amt in `

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME			
Revenue from operation	16	1,00,00,000	40,00,000
Other income	17	-	21,000
Total income		**1,00,00,000**	**40,21,000**
EXPENSES			
Operating expenses	18	40,61,440	35,33,344
Depreciation and amortization expense	3	91,56,162	91,56,162
Finance costs	19	47,48,749	47,93,665
Other expenses	20	10,13,738	90,426
Total expense		**1,89,80,089**	**1,75,73,597**
(Loss) before exceptional items and tax		(89,80,089)	(1,35,52,597)
Exceptional items		-	-
(Loss) before tax		**(89,80,089)**	**(1,35,52,597)**
Tax expense:		-	-
Current tax		-	-
Deferred tax		-	-
Income tax expense		**-**	**-**
(Loss) for the year		**(89,80,089)**	**(1,35,52,597)**
Basic and diluted earnings per equity shares (in `) face value of ` 10 each	23	**(2.57)**	**(3.87)**
Summary of significant accounting policies	2.1		

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

For DHARMESH PARIKH & CO.
Chartered Accountants
ICAI Firm Registration No.: 112054W

For and on behalf of Board of Directors of
Mundra International Airport Private Limited

Anuj Jain
Partner
Membership No. 119140

Ashutosh Verma
Director
DIN: 08038591

Unmesh Abhyankar
Director
DIN: 03040812

Place: Ahmedabad
Date: April 28,2018

Place: Ahmedabad
Date: April 28, 2018

Mundra International Airport Private Limited

Statement of changes in equity for the year ended March 31, 2018

Amt in `

Particulars	Equity Share Capital	Equity component of borrowibng	Reserves and Surplus	Total
			Retained Earning	
Balance as on April 01, 2016	**3,50,00,000**	**3,33,839**	**(2,39,49,727)**	**1,13,84,112**
(Loss) for the year			(1,35,52,597)	(1,35,52,597)
Other Comprehensive Income			-	**-**
Total Comprehensive Income for the year			**(1,35,52,597)**	**(1,35,52,597)**
Equity Impact on movement in borrowing		1,51,94,237		**1,51,94,237**
Balance as on March 31, 2017	**3,50,00,000**	**1,55,28,076**	**(3,75,02,324)**	**1,30,25,752**

Statement of changes in equity for the year ended March 31, 2018

Amt in `

Particulars	Equity Share Capital	Equity component of borrowing	Reserves and Surplus	Total
			Retained Earning	
Balance as on April 01, 2017	**3,50,00,000**	**1,55,28,076**	**(3,75,02,324)**	**1,30,25,752**
(Loss) for the year			(89,80,089)	(89,80,089)
Other Comprehensive Income			-	-
Total Comprehensive Income for the year			**(89,80,089)**	(89,80,089)
				-
Equity Impact on movement in borrowing		1,55,144		1,55,144
				-
Balance as on March 31, 2018	**3,50,00,000**	**1,56,83,220**	**(4,64,82,413)**	**42,00,807**

For DHARMESH PARIKH & CO.
Chartered Accountants
ICAI Firm Registration No.: 112054W

For and on behalf of Board of Directors of
Mundra International Airport Private Limited

Anuj Jain
Partner
Membership No. 119140

Ashutosh Verma
Director
DIN: 08038591

Unmesh Abhyankar
Director
DIN: 03040812

Place: Ahmedabad
Date: April 28,2018

Place: Ahmedabad
Date: April 28, 2018

Mundra International Airport Private Limited
Statement of Cash Flows for the year ended March 31, 2018

Amt in `

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from operating activities		
(Loss) before tax as per statement of profit and loss	(89,80,089)	(1,35,52,597)
Adjustments for :-		
Excess provision written back	-	(9,000)
Depreciation and amortisation	91,56,162	91,56,162
Interest expense	47,48,637	47,93,665
Operating profit/(loss) before working capital changes	**49,24,710**	**3,88,230**
Movements in working capital :		
(Increase)/Decrease in trade receivables	(79,20,000)	3,00,000
(Increase)/Decrease in inventories	-	5,984
(Increase)/Decrease in other assets	1,87,013	(12,050)
Increase/(Decrease) in trade payables	6,63,745	3,16,530
Increase/(Decrease) in other liabilities	14,96,523	(2,788)
Increase/(Decrease) in financial liabilities	65,271	(9,000)
Cash generated from operations	**(5,82,738)**	**9,86,906**
Direct taxes paid (net)	-	-
Net cash flow from/(used in) operating activities (A)	**(5,82,738)**	**9,86,906**
Cash flows from investing activities		
Net cash inflow from/(used in) investing activities (B)	**-**	**-**
Cash flows from financing activities		
Proceeds from inter corporate deposit (including short-term)	45,00,000	36,00,000
Repayment of intercorporate deposit (including short-term)	(40,00,000)	(45,00,000)
Net cash flow from/(used in) financing activities (C)	**5,00,000**	**(9,00,000)**
Net increase / (decrease) in cash & cash equivalents (A + B + C)	(82,738)	86,906
Cash & cash equivalents at the beginning of the year	2,44,875	1,57,969
Cash & cash equivalents at the end of the year (Refer note - 8)	**1,62,137**	**2,44,875**

Notes:		
Component of cash and cash equivalents		
Cash on hand	-	-
Balances with scheduled bank		
On current accounts	1,62,137	2,44,875
Total cash and cash equivalents	**1,62,137**	**2,44,875**
Margin money deposits (restricted Cash)	-	-
Summary of significant accounting policies 2.1		

The accompanying note are an integral part of the financial statements
As per our report of even date

For DHARMESH PARIKH & CO.
Chartered Accountants
ICAI Firm Registration No.: 112054W

Anuj Jain
Partner
Membership No. 119140

Place: Ahmedabad
Date: April 28,2018

For and on behalf of Board of Directors of
Mundra International Airport Private Limited

Ashutosh Verma
Director
DIN: 08038591

Unmesh Abhyankar
Director
DIN: 03040812

Place: Ahmedabad
Date: April 28, 2018

1 Corporate information

Mundra International Airport Private Limited is in the business of Establishing, Developing, Maintaining, Operating Airports and Airports infrastructure at Kawai, Rajasthan.

2 Basis of preparation

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

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

In addition, the financial statements are presented in INR.

2.1 Summary of significant accounting policies

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

b) Inventories

Stores and Spares:

- Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis. Cost of stores and spares lying in bonded warehouse includes custom duty accounted for on an accrual basis.

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

c) Cash and cash equivalents

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

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

d) Property, plant and equipment (PPE)

Under the previous GAAP (Indian GAAP), Fixed assets (including Capital work in progress) are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalization criteria are met directly attributable cost of bringing the asset to its working condition for the intended use.

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

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

Depreciation is recognised based on cost of assets less their residual value on a straight-line basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013. The Identified component of fixed assets are depreciated over their useful lives and the remaining components are depreciated over the life of the principal assets.

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 statement of profit and loss when the asset is derecognized.

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

e) Revenue Recognition

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

(i) Income from services rendered is recognised as and when the work is performed.

(ii) Interest Income is recognised based on a time proportion basis taking into account the amount outstanding and the rate applicable.

f) Borrowing Costs

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

g) Leases

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

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

The Company as a lessee

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

Operating lease payments / payables are recognised as an expense in the statement of profit and loss as per contractual terms.

h) Taxes

Tax expense comprises of current and deferred tax.

i) Current income tax

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

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 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.

ii) Deferred tax

Deferred tax is provided using the balance sheet 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.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that The company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. Deferred tax include MAT Credit Entitlement.

i) Impairment of non-financial assets

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

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

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

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

j) Provisions, Contingent Liabilities and Contingent Assest

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.

Contingent liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the financial statement when economic inflow is probable.

k) Expenditure

Expenditures are accounted net of taxes recoverable, wherever applicable.

l) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

m) 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, except investment in subsidiaries, associates and joint ventures are recognised initially at fair value.

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

Debt instrument at FVTPL

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

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

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

Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, The Company may transfer the cumulative gain or loss within equity.

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

Derecognition

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

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

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

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

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

Impairment of financial assets

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

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

b) Financial assets that are debt instruments and are measured as at other comprehensive income (FVTOCI).

c) Lease receivables under Ind AS 17.

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

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

> Trade receivables or contract revenue receivables; and

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

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

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

This category generally applies to borrowings.

Derecognition

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

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 revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

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

Impairment of non-financial assets

Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Mundra International Airport Private Limited

Notes to Financials statements for the year ended March 31, 2018

Note 3 - Property, plant and equipment

Amt in `

Particulars	**Tangible Assets**	
	Building	**Total**
Cost		
As at April 1, 2016	**8,28,48,611**	**8,28,48,611**
Additions	-	-
Deductions/Adjustment	-	-
Exchange difference	-	-
As at March 31, 2017	**8,28,48,611**	**8,28,48,611**
Additions	-	-
Deductions/Adjustment	-	-
Exchange difference	-	-
As at March 31, 2018	**8,28,48,611**	**8,28,48,611**
Depreciation/amortisation		
As at April 1, 2016	**91,56,162**	**91,56,162**
Depreciation for the year	91,56,162	91,56,162
Deductions/(Adjustment)	-	-
As at March 31, 2017	**1,83,12,324**	**1,83,12,324**
Depreciation for the year	91,56,162	91,56,162
Deductions/(Adjustment)	-	-
As at March 31, 2018	**2,74,68,486**	**2,74,68,486**
Net Block		
As at March 31, 2018	**5,53,80,125**	**5,53,80,125**
As at March 31, 2017	**6,45,36,287**	**6,45,36,287**

Mundra International Airport Private Limited
Notes to Financials statements for the year ended March 31, 2018

4 Investments		March 31, 2018 Amt in `	March 31, 2017 Amt in `
Non Current			
Investments			
Investment in National Saving Certificates (valued at cost) (Lodged with Vat Authorities)		38,000	38,000
		38,000	**38,000**

5 Trade Receivables		March 31, 2018 Amt in `	March 31, 2017 Amt in `
Current			
Unsecured considered good unless stated otherwise			
Receivables from related parties (Refer note-26)		1,18,00,000	38,80,000
		1,18,00,000	**38,80,000**

6 Other Assets		March 31, 2018 Amt in `	March 31, 2017 Amt in `
Current			
Advances recoverable in cash or in kind			
Unsecured, considered good		-	-
Unsecured, considered doubtful		10,112	10,112
		10,112	10,112
Provision for doubtful advances		(10,112)	(10,112)
	(A)	-	-
Others (Unsecured), considered good			
Prepaid Expenses		14,589	39,590
Balances with statutory/ Government authorities		59,190	2,21,204
	(B)	**73,779**	**2,60,794**
Other current Assets	(A+B)	**73,779**	**2,60,794**

7 Inventories		March 31, 2018 Amt in `	March 31, 2017 Amt in `
(At lower of weighted average cost or net realisable value)			
Stores and spares		1,02,029	1,02,029
		1,02,029	**1,02,029**

8 Cash and cash equivalents		March 31, 2018 Amt in `	March 31, 2017 Amt in `
Balances with banks:			
Balance in current account		1,62,137	2,44,875
Cash on hand		-	-
		1,62,137	**2,44,875**

9 Share capital		March 31, 2018 Amt in `	March 31, 2017 Amt in `
Authorised			
35,00,000 Equity Shares of ` 10 each (35,00,000 and 15,00,000 Equity Shares of ` 10 each as at March 31, 2017)		3,50,00,000	3,50,00,000
		3,50,00,000	**3,50,00,000**
Issued, subscribed and fully paid up shares			
35,00,000 Equity Shares of ` 10 each (35,00,000 and 15,00,000 Equity Shares of ` 10 each as at March 31, 2017)		3,50,00,000	3,50,00,000
		3,50,00,000	**3,50,00,000**

Mundra International Airport Private Limited

Notes to Financials statements for the year ended March 31, 2018

Notes:

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

	March 31, 2018		March 31, 2017	
	No.	**Amt in `**	**No.**	**Amt in `**
As the beginning of the year	35,00,000	3,50,00,000	35,00,000	3,50,00,000
New shares issued during the year	-	-		
As the end of the year	**35,00,000**	**3,50,00,000**	**35,00,000**	**3,50,00,000**

(b) Terms/rights attached to equity shares:

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

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

(c) Shares held by holding company

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

	March 31, 2018 Amt in `	March 31, 2017 Amt in `
Adani Ports and Special Economic Zone Limited, the holding company and its nominee		
35,00,000 equity shares (Previous year 35,00,000) of ` 10 each	3,50,00,000	3,50,00,000

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

Equity shares of ` 10 each fully paid	Particulars	March 31, 2018	March 31, 2017
Adani Ports and Special Economic Zone Limited, the holding company and its nominee	Nos	35,00,000	35,00,000
	% Holding	100.00%	100.00%

10 **Other Equity**	March 31, 2018 Amt in `	March 31, 2017 Amt in `
Other Equity		
Retained earnings	(4,64,82,413)	(3,75,02,324)
Equity component of borrowing	1,56,83,220	1,55,28,076
	(3,07,99,193)	**(2,19,74,248)**

11 **Borrowings**	March 31, 2018 Amt in `	March 31, 2017 Amt in `
Non-Current		
Inter Corporate Deposit (refer Note below)	6,04,76,880	5,53,83,388
	6,04,76,880	**5,53,83,388**
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	6,04,76,880	5,53,83,388
Total borrowings	**6,04,76,880**	**5,53,83,388**

Note:

Unsecured loan is taken from Adani Port and Special Economic Zone Limited at NIL interest rate & is repayable by 11th July , 2019.

12 **Other financial liabilities**	March 31, 2018 Amt in `	March 31, 2017 Amt in `
Current		
Capital creditors, retention money and other payable	1,17,534	52,263
	1,17,534	**52,263**

13 **Deferred tax liabilities/Assets (net) (refer note below)**	March 31, 2018 Amt in `	March 31, 2017 Amt in `
Deferred tax liability		
On difference between book balance and tax balance of fixed assets	(5,27,550)	(13,53,755)
Deferred tax assets		
On account of unabsorbed losses/depreciation	1,15,99,928	1,12,41,664
	1,10,72,378	**98,87,909**

Note:-

The Company has not recognised deferred tax assets due to lack of reasonable certainty.

Mundra International Airport Private Limited
Notes to Financials statements for the year ended March 31, 2018

14 Other Liabilities	March 31, 2018 Amt in `	March 31, 2017 Amt in `
Current		
Statutory liabilities (includes TDS,GST and WCT payable)	15,12,163	15,640
	15,12,163	**15,640**

15 Trade payables	March 31, 2018 Amt in `	March 31, 2017 Amt in `
Payables to micro, small and medium enterprises (Refer Note 29)	-	-
Others	16,48,686	9,84,942
	16,48,686	**9,84,942**

16 Revenue from operations	March 31, 2018 Amt in `	March 31, 2017 Amt in `
Annual airport landing charges	1,00,00,000	40,00,000
	1,00,00,000	**40,00,000**

17 Other Income	March 31, 2018 Amt in `	March 31, 2017 Amt in `
Interest on IT refund	-	12,000
Unclaimed liabilities / excess provision written back	-	9,000
	-	**21,000**

18 Operating Expenses	March 31, 2018 Amt in `	March 31, 2017 Amt in `
Horticulture expense	7,91,027	6,32,960
Repairs to building/ runway	32,70,413	29,00,384
	40,61,440	**35,33,344**

19 Finance Costs	March 31, 2018 Amt in `	March 31, 2017 Amt in `
Interest on		
Inter corporate deposit	47,48,637	47,93,665
Others	112	-
	47,48,749	**47,93,665**

20 Other Expenses	March 31, 2018 Amt in `	March 31, 2017 Amt in `
Lease rent	129	129
Rates and taxes	2,000	2,000
Legal expenses, fees & subscription	9,29,290	29,812
Professional charges	42,120	21,469
Payment to auditors (refer note 1 below)	40,199	35,175
Bank charges	-	1,841
	10,13,738	**90,426**

Note: 1

Payment to Auditor	March 31, 2018 Amt in `	March 31, 2017 Amt in `
As Auditor:		
Audit fee	35,175	35,175
In other Capacity		
Other services	5,024	-
	40,199	**35,175**

Mundra International Airport Private Limited

Notes to Financials statements for the year ended March 31, 2018

21 Fair Value Measurement

a) The carrying value of financial instruments by categories as of March 31, 2018 is as follows :

Amt in `

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	instruments not in hedging relationship	Amortised Cost	Total
Financial Asset					
Investments	-	-	-	38,000	38,000
Trade receivables	-	-	-	1,18,00,000	1,18,00,000
Cash and Cash Equivalents	-	-	-	1,62,137	1,62,137
	-	**-**	**-**	**1,20,00,137**	**1,20,00,137**
Financial Liabilities					
Borrowings	-	-	-	6,04,76,880	6,04,76,880
Trade payables	-	-	-	16,48,686	16,48,686
Other financial liabilities		-	-	1,17,534	1,17,534
	-	**-**	**-**	**6,22,43,100**	**6,22,43,100**

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

Amt in `

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Derivative instruments not in hedging relationship	Amortised Cost	Total
Financial Asset					
Investments	-	-	-	38,000	38,000
Trade receivables	-	-	-	38,80,000	38,80,000
Cash and Cash Equivalents	-	-	-	2,44,875	2,44,875
	-	**-**	**-**	**41,62,875**	**41,62,875**
Financial Liabilities					
Borrowings	-	-	-	5,53,83,388	5,53,83,388
Trade payables	-	-	-	9,84,942	9,84,942
Other financial liabilities	-	-	-	52,263	52,263
	-	**-**	**-**	**5,64,20,593**	**5,64,20,593**

22 Financial Risk objective and policies

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

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

In the Ordinary Course of business, the company is exposed to Interest risk and credit risk

Credit risk

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

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

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

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

Mundra International Airport Private Limited

Notes to Financials statements for the year ended March 31, 2018

Liquidity risk

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

i) Maturities of financial liabilities

The tables below analyze the company's financial liabilities into relevant maturity groupings based on their contractual maturities:

Contractual maturities of financial liabilities as at March 31, 2018	Total Book Value	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year
Borrowings	6,04,76,880	-	6,04,76,880	-	-
Trade Payables	16,48,686	16,48,686	-	-	-
Other Financial Liabilities	1,17,534	1,17,534	-	-	-
Total	**6,22,43,100**	**17,66,220**	**6,04,76,880**	-	-

Contractual maturities of financial liabilities as at March 31, 2017	Total Book Value	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year
Borrowings	5,53,83,388	-	5,53,83,388	-	-
Trade Payables	9,84,942	9,84,942	-	-	-
Other Financial Liabilities	52,263	52,263	-	-	-
Total	**5,64,20,593**	**10,37,205**	**5,53,83,388**	-	-

ii) Maturities of financial assets

The tables below analyze the company's financial assets into relevant maturity groupings based on their contractual maturities.

Contractual maturities of financial assets as at March 31, 2018	Total Book Value	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year
Investments	38,000	38,000	-	-	-
Trade receivables	1,18,00,000	1,18,00,000	-	-	-
Cash and Cash Equivalents	1,62,137	1,62,137	-	-	-
Total	**1,20,00,137**	**1,20,00,137**	**-**	**-**	**-**

Contractual maturities of financial assets as at March 31, 2017	Total Book Value	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year
Investments	38,000	-	38,000	-	-
Trade receivables	38,80,000	38,80,000	-	-	-
Cash and Cash Equivalents	2,44,875	2,44,875	-	-	-
Total	**41,62,875**	**41,24,875**	**38,000**	**-**	**-**

23 Earnings per share

	March 31, 2018 Amt in `	March 31, 2017 Amt in `
Profit attributable to equity shareholders of the company	(89,80,089)	(1,35,52,597)
Weighted average number of equity shares	35,00,000	35,00,000
Face Value of Equity Shares	10	10
Basic and Diluted earning per share (in `)	(2.57)	(3.87)

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

24 Capital commitments & other commitment

Amt in `

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	Nil	Nil

25 Capital management

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

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

Particulars	March 31, 2018	March 31, 2017
Net debt (total debt less cash and cash equivalents)	6,03,14,743	5,51,38,513
Total capital	42,00,807	1,30,25,752
Total capital and net debt	6,45,15,550	6,81,64,265
Gearing ratio	93.49%	80.89%

Mundra International Airport Private Limited

Notes to Financials statements for the year ended March 31, 2018

26 Related Party Disclosures

The Management has identified the following entities and individuals as related parties of the Company for the year ended on March 31,2018 for the purposes of reporting as per Ind AS 24 – Related Party Disclosures, which are as under:

Holding company	Adani Ports and Special Economic Zone Limited
Entities under common Significant Influence	Adani Power Rajasthan Limited Adani Enterprises Limited
Key management personnel	Mr. Shrikumar Nair Capt. Unmesh Abhyankar Mr. Ashutosh Verma (Appointed from 13/01/2018) Mr. Amit Uplenchwar (Till 14/01/2018)

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

Amt in `

Particulars	Adani Ports and Special Economic Zone Limited	Adani Enterprises Limited	Adani Power Rajasthan Limited
Loan obtained			
2017-18	45,00,000	-	-
2016-17	36,00,000	-	-
Loan payment			
2017-18	40,00,000	-	-
2016-17	45,00,000	-	-
Lease rent			
2017-18	-	-	129
2016-17	-	-	127
Rendering of services			
2017-18	1,00,00,000	-	-
2016-17	-	40,00,000	-
Availment of services			
2017-18	9,00,000	-	-
2016-17	-	-	-
Outstanding balance			
Due to			
As at March 31, 2018	6,79,30,000	-	-
As at March 31, 2017	6,74,30,000	-	254
Due from			
As at March 31, 2018	1,18,00,000	-	-
As at March 31, 2017	-	38,80,000	-

The above figures excludes the impact of IND AS.

Mundra International Airport Private Limited
Notes to Financials statements for the year ended March 31, 2018

27 As per the information available with company there is no contingent liability as on March 31, 2018 (previous Year ended on March 31, 2017:Nil).

28 Segment information

The Company is primarily engaged in providing airport services . The entire business has been considered as a single segment in terms of Ind AS - 108 on Segment Reporting Notified under the companies act 2013. There being no business outside India, the entire business has been considered as single geographic segment.

29 There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding as at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

30 Approval of financial statements

The financial statements were approved for issue by the board of directors on 28th April,2018.

31 Standards issued but not effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs("MCA") has issued certain amendments to Ind AS through (Indian Accounting Standards) Amendment Rules, 2018. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board(IASB) into Ind AS and has amended the following standards:

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

These amendments are effective for annual periods beginning on or after April 01, 2018. Application of these amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.
The Company is assessing the potential effect of the amendments on its financial statements. The Company will adopt these amendments, if applicable, from their applicability date.

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

For DHARMESH PARIKH & CO.
Chartered Accountants
ICAI Firm Registration No.: 112054W

Anuj Jain
Partner
Membership No. 119140

Place: Ahmedabad
Date: April 28,2018

For and on behalf of Board of Directors of
Mundra International Airport Private Limited

Ashutosh Verma
Director
DIN: 08038591

Unmesh Abhyankar
Director
DIN: 03040812

Place: Ahmedabad
Date: April 28, 2018