

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Shanti Sagar International Dredging Private Limited.

Report on the Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Shanti Sagar International Dredging 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 Flow and Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with 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 the 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 standalone 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 standalone 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 standalone Ind AS financial statements in accordance with the Standards on Auditing issued by Institute of Chartered Accountant 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone 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 standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit including other comprehensive income, its cash flows and the statement of 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 – A", a statement on the matters specified in paragraphs 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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance sheet, the statement of profit and loss including Other Comprehensive Income, the statement of cash flows 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 standalone 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 written representations received from the directors as on 31st March, 2018 and 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” 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 our best of our information and according to the explanations given to us :
 - i. The Company did not have any pending litigations.
 - ii. The Company did not have any long-term contracts including derivatives 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 G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

Place : Ahmedabad
Date : April 28, 2018

SANDIP PARIKH
Partner
Membership No. 040727

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and its situation.
(b) The Company has a regular programme for physical verification, in a phased periodic manner, which in our opinion, is reasonable having regards 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 to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property are held in the name of the Company.
- (ii) As explained to us, the Management of the Company 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 information and explanation given to us 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.
- (iv) In our opinion and according to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, Investment, guarantees and security.
- (v) According to information and explanation given to us the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, reporting under Clause 3 (v) of the order is not applicable to the Company.
- (vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013, for any of the services rendered by 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 provident fund, income-tax, sales tax, value added tax, duty of custom, employee state insurance, service tax, goods and service tax, cess and other material statutory dues have 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 employees' state insurance and duty of excise and custom.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and service tax, sales tax, value added tax, duty of custom, employee state insurance, service tax, cess and other material statutory dues were in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.
 - (c) According to information and explanations given to us, the Company has no disputed outstanding statutory dues as at 31st March, 2018.
- (viii) In our opinion and according to information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government.
- (ix) In our opinion and according to information and explanations given to us the term loan have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid provided any managerial remuneration. Accordingly reporting under clause 3 (xi) of the order is not applicable to the company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly reporting under clause 3 (xii) of the order is not applicable to the Company.

- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of the Act where applicable for all transactions with related parties and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and therefore, the reporting under clause 3 (xiv) of the order is not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into non-cash transactions with directors or directors of its holding, subsidiary or associate Company or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the reporting under clause 3 (xvi) of the order is not applicable to the company.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

SANDIP PARIKH

Partner

Membership. No. 040727

Place : Ahmedabad

Date : April 28, 2018

ANNEXURE -B TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of **Shanti Sagar International Dredging Private Limited** ("the Company") as of 31st March, 2018 in conjunction with our audit of standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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
- 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 and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR G. K. CHOKSI & CO.

[Firm Registration No.101895W]

Chartered Accountants

SANDIP PARIKH

Partner

Place : Ahmedabad

Date : April 28, 2018

Membership. No. 040727

Shanti Sagar International Dredging Private Limited
(Formerly known as Adani Food And Agro- Processing Park Private Limited)
Balance Sheet as at March 31, 2018

Particulars	Notes	Amt in ₹	
		As at March 31, 2018	As at March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	3	9,978,790,344	-
Capital work-in-progress	3	6,797,231	-
Other non-current assets	4	12,986,054	-
		9,998,573,629	-
Current assets			
Inventories	5	64,412,440	-
Financial assets			
(i) Trade receivables	6	260,720,691	-
(ii) Cash and cash equivalents	7	516,144	55,631
(iii) Other current financial assets	8	1,102,358	-
Other current assets	4	34,657,744	211,612
		361,409,377	267,243
Total assets		10,359,983,006	267,243
Equity and Liabilities			
Equity			
Equity share capital	9	500,000	500,000
Other equity	10	176,018,665	(3,404,661)
Total Equity attributable to equity holders of the company		176,518,665	(2,904,661)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	11	9,373,410,423	-
Provisions	12	390,897	-
		9,373,801,320	-
Current liabilities			
Financial liabilities			
(i) Trade payables	13	27,074,191	56,588
(ii) Other financial liabilities	14	761,372,249	3,105,327
Other current liabilities	15	20,697,291	9,989
Provisions	12	519,290	-
		809,663,021	3,171,904
Total liabilities		10,183,464,341	3,171,904
Total Equity and Liabilities		10,359,983,006	267,243

The accompanying notes form an integral part of financials statements

As per our report of even date.
For G. K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

For and on behalf of Board of Directors

Sandip A Parikh
Partner
Membership No. 40727

Mukesh Saxena
Director
DIN: 07337179

Jai Khurana
Director
DIN: 05140233

Place: Ahmedabad
Date: April 28, 2018

Place: Ahmedabad
Date: April 28, 2018

Shanti Sagar International Dredging Private Limited
(Formerly known as Adani Food And Agro- Processing Park Private Limited)
Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Notes	Amt in ₹	
		For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue from operations	16	1,095,285,372	-
Other income	17	10,534,853	-
Total income		1,105,820,225	-
Expenses			
Operating expenses	18	221,699,443	-
Employee benefits expense	19	6,645,299	-
Depreciation and amortization expense	3	254,257,332	-
Finance costs	20	85,492,666	6,677
Other expenses	21	357,985,801	1,135,934
Total expense		926,080,541	1,142,611
Profit/(Loss) before exceptional items and tax		179,739,684	(1,142,611)
Exceptional items		-	-
Profit/(Loss) before tax		179,739,684	(1,142,611)
Current tax	22	286,570	-
Income tax expense		286,570	-
Profit/(Loss) for the year		179,453,114	(1,142,611)
Other comprehensive income		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement (losses) on defined benefit plans		(29,788)	-
Other comprehensive Income for the year		(29,788)	-
Total comprehensive Income for the year net of tax		179,423,326	(1,142,611)
Attributable to:			
Equity holders of the parent		179,423,326	(1,142,611)
Earnings per share (Face value of ₹ 10 each)			
Basic and diluted (in ₹)	24	3,589.06	(22.85)

The accompanying notes form an integral part of financials statements

As per our report of even date
For G. K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

For and on behalf of Board of Directors

Sandip A Parikh
Partner
Membership No. 40727

Mukesh Saxena **Jai Khurana**
Director Director
DIN: 07337179 DIN: 05140233

Place: Ahmedabad
Date: April 28, 2018

Place: Ahmedabad
Date: April 28, 2018

Shanti Sagar International Dredging Private Limited
(Formerly known as Adani Food And Agro- Processing Park 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		
Profit/(loss) before tax	179,739,684	(1,142,611)
Adjustments for:		
Depreciation and amortisation	254,257,332	-
Interest income	(10,140,411)	-
Net (gain)/loss on sale of current investments	(394,442)	-
Interest expense	80,431,599	5,918
Borrowing cost amortization adjustment	4,978,017	-
Unrealised (gain)/loss on foreign exchange variation	349,811,737	-
Operating profit/(loss) before working capital changes	858,683,516	(1,136,693)
Adjustments for :		
(Increase)/Decrease in trade receivables	(246,510,441)	-
(Increase) in inventories	(20,922,668)	-
(Increase) in financial assets	(1,102,358)	-
(Increase) in other assets	(34,446,132)	(20,522)
Increase/(Decrease) in trade payables	23,632,522	(33,295)
Increase/(Decrease) in other liabilities	21,567,701	(209,694)
Increase in financial liabilities	-	-
Cash generated from operations	600,902,140	(1,400,204)
Direct taxes paid (net)	(12,532,624)	-
Net cash inflow/(outflow) from operating activities (A)	588,369,516	(1,400,204)
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,095,336,561)	-
Acquisition of business through Business Combinations (refer note 34)	(1,150,000,000)	-
Advance paid against capital commitments	-	465,900,001
Inter corporate deposit given	(500,000,000)	-
Inter corporate deposit received back	500,000,000	-
Purchase of investments	(457,500,000)	-
Sale of investments	457,894,442	-
Interest income	10,140,411	-
Net cash inflow/(outflow) from investing activities (B)	(10,234,801,708)	465,900,001
Cash flows from financing activities		
Proceeds from long-term borrowing	7,408,636,415	-
Proceeds from inter corporate deposit	3,662,340,400	2,000,000
(Repayment) of inter corporate deposit	(958,428,658)	(464,900,000)
Interest paid	(59,041,296)	(1,892,082)
Bank processing charges paid	(406,614,156)	-
Net cash inflow/(outflow) from financing activities (C)	9,646,892,705	(464,792,082)
Net (decrease) / increase in cash & cash equivalents (A + B + C)	460,513	(292,285)
Cash & cash equivalents at the beginning of the year	55,631	347,916
Cash & cash equivalents at the end of the year (Refer note-5)	516,144	55,631
Notes:		
Component of cash and cash equivalents		
Balances with scheduled bank		
On current accounts	516,144	55,631
Total cash and cash equivalents	516,144	55,631

Summary of significant accounting policies 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 32 to financial statements.

As per our report of even date

For G. K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

Sandip A Parikh
Partner
Membership No. 40727

For and on behalf of Board of Directors

Mukesh Saxena
Director
DIN: 07337179

Jai Khurana
Director
DIN: 05140233

Place: Ahmedabad
Date: April 28, 2018

Place: Ahmedabad
Date: April 28, 2018

Shanti Sagar International Dredging Private Limited
(Formerly known as Adani Food And Agro- Processing Park Private Limited)
Statement of Changes in Equity for the year ended March 31, 2018

Particulars	Equity Share Capital	Reserves and Surplus		Total
		Retained Earning	Tonnage Tax Reserve (Refer note - 10(b))	
Balance as at April 01, 2016	500,000	(2,262,050)	-	(1,762,050)
(Loss) for the year	-	(1,142,611)	-	(1,142,611)
Other comprehensive income	-	-	-	-
Total comprehensive Income for the year	-	(1,142,611)	-	(1,142,611)
Shares issued during the year	-	-	-	-
Balance as at March 31, 2017	500,000	(3,404,661)	-	(2,904,661)
Profit for the year	-	179,453,114	-	179,453,114
Other comprehensive income	-	(29,788)	-	(29,788)
Total comprehensive Income for the year	-	179,423,326	-	179,423,326
Transfer to tonnage tax reserve	-	(35,845,830)	35,845,830	-
Balance as at March 31, 2018	500,000	140,172,835	35,845,830	176,518,665

The accompanying notes are an integral part of the financial statements

As per our report of even date
For G. K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

For and on behalf of Board of Directors

Sandip A Parikh
Partner
Membership No. 40727

Mukesh Saxena
Director
DIN: 07337179

Jai Khurana
Director
DIN: 05140233

Place: Ahmedabad
Date: April 28, 2018

Place: Ahmedabad
Date: April 28, 2018

Shanti Sagar International Dredging Private Limited
(Formerly known as Adani Food And Agro- Processing Park Private Limited)

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

1 Corporate information

Shanti Sagar International Dredging Private Limited (Formerly known as Adani Food and Agro-Processing Park Private Limited) was incorporated on May 05, 2015 as a wholly owned subsidiary Company of Adani Ports and Special Economic Zone Limited, holding Company. The principal activity of the company is to conduct the business of, directly or indirectly, capital dredging, maintenance dredging, shore nourishment, drilling, blasting, reclamation and land filling, environmental dredging, various dredging related activities in land in waterways, lakes, reservoirs or in and under sea.

2 Basis of preparation

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

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

The financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest rupees, except when otherwise indicated.

2.2 Summary of significant accounting policies

a) Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- 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

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.

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

b) Foreign Currency Transactions

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

Transactions and balances

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

Translation

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

Exchange Differences

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss

The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (i.e. translation differences on items whose gain or loss is recognised in other comprehensive income or the statement of profit and loss is also recognised in other comprehensive income or the statement of profit and loss respectively)

c) 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.

Rendering of services

Revenue from rendering of service is recognised as per the terms of contract with customers based on the stage of completion when the outcome of the transactions involving rendering of service can be estimated reliably. Percentage completion method requires the company to estimate the service performed to date as a proportion of the total services to be performed.

Interest Income

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

Shanti Sagar International Dredging Private Limited
(Formerly known as Adani Food And Agro- Processing Park Private Limited)

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

d) Taxes

Tax expense comprises of current income tax

Current income tax

Current tax is the amount of tax payable as per special provisions relating to income of shipping companies under the Income Tax Act, 1961 on the basis of deemed tonnage income of the Company and tax payable on other taxable income for the year determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws. 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.

e) Property, plant and equipment (PPE)

Property, plant and equipment including (capital work in progress are stated at cost net of accumulated impairment losses, if any. The cost comprises the purchase price, directly and indirectly attributable costs arising directly from the development of the asset / project to its working condition for the intended use.

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

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

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

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.

When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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

Type of Assets	Estimated Life
Dredgers	3 - 12 years
Steel hull & machinery	8 - 17 years
Other equipment's	1 - 12 years

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

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.

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) 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.
- Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.
- Net Realizable Value in respect of store and spares is the estimated current procurement price in the ordinary course of the business.

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

h) 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.

i) Employees Retirement Benefits

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

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

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

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

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

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

Termination Benefits, if any, are recognised as an expense as and when incurred.

j) 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 the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

- 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.

Debt instrument at FVTPL

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

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

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

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 transferred risk and rewards of the asset including control thereof.

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) 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;

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 since 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 mainly represented by loans and borrowings, payables as appropriate.

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

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 P&L. However, The Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at FVTPL.

Loans and borrowings

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

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

Shanti Sagar International Dredging Private Limited
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Notes to Financials statements for the year ended March 31, 2018

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 instruments

After initial recognition, no reclassification is made for financial assets which are equity instruments. 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. If the Company reclassifies the 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 the business model.

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.

k) 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.

l) 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.

m) Earnings per share

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

For the purpose of calculating diluted earning per share, the profit or loss for 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.

n) 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.

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy,

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

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

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

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.

The significant estimates and judgements are listed below:

- > 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.
- > Judgements by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rate used for computation of defined benefit liability.
- > Significant judgement is required in assessing at each reporting date whether there is indication that an asset may be impaired.

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Shanti Sagar International Dredging Private Limited
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Notes to Financials statements for the year ended March 31, 2018

Note 3 (a) Property, plant and equipment

Amt In ₹

Particulars	Property, plant and equipment	Grand Total
	Dredgers	
Cost		
As at April 1, 2017	-	-
Acquisitions through Business Combination (refer note 34)	1,095,685,064	1,095,685,064
Additions	9,090,283,252	9,090,283,252
Deductions/Adjustment	-	-
Borrowing cost adjustment	47,079,360	47,079,360
As at March 31, 2018	10,233,047,676	10,233,047,676
Depreciation/amortisation		
As at April 1, 2017	-	-
Depreciation for the year	254,257,332	254,257,332
As at March 31, 2018	254,257,332	254,257,332
Net Block		
As at March 31, 2017	-	-
As at March 31, 2018	9,978,790,344	9,978,790,344

Note 3 (b) Capital Work in Progress

Amt In ₹

Particulars	Amount
As at March 31, 2017	-
As at March 31, 2018	6,797,231

Shanti Sagar International Dredging Private Limited
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Notes to Financials statements for the year ended March 31, 2018

4 Other assets	As at March 31, 2018 Amt in ₹	As at March 31, 2017 Amt in ₹
Non current		
Capital advances		
Unsecured, considered good	740,000	-
	(A) 740,000	-
Others (unsecured)		
Advance income tax (net of provision for taxation)	12,246,054	-
	(B) 12,246,054	-
Total (A) + (B)	12,986,054	-
Current		
Advances recoverable in cash or in kind		
Unsecured, considered good	33,161,271	-
	(A) 33,161,271	-
Others (unsecured)		
Prepaid expenses	1,007,513	-
Balances with government authorities	488,960	211,612
	(B) 1,496,473	211,612
Total (A) + (B)	34,657,744	211,612
5 Inventories	As at March 31, 2018 Amt in ₹	As at March 31, 2017 Amt in ₹
Stores and spares	64,412,440	-
	64,412,440	-
6 Trade receivables	As at March 31, 2018 Amt in ₹	As at March 31, 2017 Amt in ₹
Current		
Unsecured considered good unless stated otherwise		
Trade receivables from related parties (refer note 29)	260,720,691	-
	260,720,691	-
7 Cash and cash equivalents	As at March 31, 2018 Amt in ₹	As at March 31, 2017 Amt in ₹
Balances with banks:		
Balance in current account	516,144	55,631
	516,144	55,631
8 Other financial assets	As at March 31, 2018 Amt in ₹	As at March 31, 2017 Amt in ₹
Current		
Loans and advances to employees	1,102,358	-
	1,102,358	-

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Shanti Sagar International Dredging Private Limited
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Notes to Financials statements for the year ended March 31, 2018

9 Share capital

Authorised

50,000 Equity Shares of ₹ 10 each (50,000 Equity Shares of ₹ 10 each as at March 31, 2017)

	As at March 31, 2018 Amt in ₹	As at March 31, 2017 Amt in ₹
	500,000	500,000
	500,000	500,000

Issued, subscribed and fully paid up shares

50,000 Equity Shares of ₹ 10 each (50,000 Equity Shares of ₹ 10 each as at March 31, 2017)

	500,000	500,000
	500,000	500,000

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	50,000	500,000	50,000	500,000
New Shares Issued during the year	-	-	-	-
As the end of the year	50,000	500,000	50,000	500,000

(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

	As at March 31, 2018 Amt in ₹	As at March 31, 2017 Amt in ₹
Adani Ports and Special Economic Zone Limited, the holding company and its nominee		
50,000 equity shares (Previous year 50,000) of ₹ 10 each	500,000	500,000

(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 holding company and its nominee	No.	50,000	50,000
	% Holding	100%	100%

10 Other equity

(a) Surplus in the statement of profit and loss

Opening balance

Add : Profit / (Loss) for the year

Less : Transfer to tonnage tax reserve

Closing balance

	As at March 31, 2018 Amt in ₹	As at March 31, 2017 Amt in ₹
	(3,404,661)	(2,262,050)
	179,423,326	(1,142,611)
	(35,845,830)	-
	140,172,835	(3,404,661)
	35,845,830	-
	35,845,830	-
	176,018,665	(3,404,661)

(b) Tonnage tax reserve u/s 115 VT of the income tax Act, 1961

Tonnage tax reserve

The Company has opted for Tonnage Tax Scheme u/s 115V of the Income Tax Act, 1961. Accordingly Section 115 VT of The Income Tax Act, 1961 require the company to create Tonnage Tax Reserve and transfer the amount equivalent to 20% of the book profits.

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Shanti Sagar International Dredging Private Limited
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Notes to Financial statements for the year ended March 31, 2018

11 Borrowings

Non-current

Term loans

Foreign currency term loans from banks (refer note a,b)
 Inter corporate deposit (refer note c) (Unsecured) (refer note 29)

Current

Current maturity of
 Foreign currency term loans from banks (refer note a,b)

Total current borrowing

Less: Amount shown under "other current financial liabilities"

Net current borrowing

The above amount includes

Secured borrowings
 Unsecured borrowings

Total borrowings

	As at March 31, 2018 Amt in ₹	As at March 31, 2017 Amt in ₹
	6,669,498,681	-
	2,703,911,742	-
	9,373,410,423	-
	739,397,679	-
	739,397,679	-
	(739,397,679)	-
	-	-
	7,408,896,360	-
	2,703,911,742	-
	10,112,808,102	-

Notes:

(a) Foreign currency loans carries interest in the range of 6 month EURIBOR Zero ("0") plus 50 basis points. The loans are repayable 6 monthly in 20 equal installments commencing from 16th May, 2018.

(b) Loans are secured by way of first ranking exclusive charge over the assets of company committed under agreement, Charge on assets has been created through agreement in favor of Axis trustee service Limited acting on behalf of all the lenders.

(c) Inter corporate deposit was received from Adani Ports and Special Economic Zone Ltd., the holding Company, at the interest rate of 6.25%. Repayment of ICD is on maturity, out of which Rs 225.09 crores is repayable on 30th Sept, 2020 and Rs 45.30 crores is repayable on 31st March, 2023

12 Provisions

Non-current

Provision for gratuity

Current

Provision for gratuity
 Provision for compensated absences

	As at March 31, 2018 Amt in ₹	As at March 31, 2017 Amt in ₹
	390,897	-
	390,897	-
	1,723	-
	517,567	-
	519,290	-

13 Trade payables

Payable to micro, small and medium enterprises (refer note 30)
 Trade payables to others
 Trade payables to related parties (refer note 29)

	As at March 31, 2018 Amt in ₹	As at March 31, 2017 Amt in ₹
	-	-
	22,527,585	56,588
	4,546,606	-
	27,074,191	56,588

14 Other financial liabilities

Current

Current maturities of long term borrowings (refer note 11)
 Interest accrued but not due on borrowings
 Other payable

	As at March 31, 2018 Amt in ₹	As at March 31, 2017 Amt in ₹
	739,397,679	-
	21,395,629	5,326
	578,941	3,100,001
	761,372,249	3,105,327

15 Other liabilities

Current

Statutory liabilities
 Advance from customers

	As at March 31, 2018 Amt in ₹	As at March 31, 2017 Amt in ₹
	8,255,761	9,989
	12,441,530	-
	20,697,291	9,989

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

16 Revenue from operations	For the year ended March 31, 2018 Amt in ₹	For the year ended March 31, 2017 Amt in ₹
Revenue from services	1,095,285,372	-
	1,095,285,372	-
17 Other income	For the year ended March 31, 2018 Amt in ₹	For the year ended March 31, 2017 Amt in ₹
Interest income from		
- Customers and others	10,140,411	-
Profit on sale of mutual fund	394,442	-
	10,534,853	-
18 Operating expenses	For the year ended March 31, 2018 Amt in ₹	For the year ended March 31, 2017 Amt in ₹
Cargo handling /Other charges to sub-contractors (net of reimbursement)	87,726,450	-
Maintenance dredging	1,024,950	-
Repairs to plant & machinery	6,315,689	-
Store & spares consumed (net of reimbursement)	62,529,764	-
Power & fuel	64,102,590	-
	221,699,443	-
19 Employee benefit expense	For the year ended March 31, 2018 Amt in ₹	For the year ended March 31, 2017 Amt in ₹
Salaries and wages	6,201,951	-
Contribution to provident and other funds	196,800	-
Gratuity (refer note 28)	117,293	-
Staff welfare expenses	129,255	-
	6,645,299	-
20 Finance costs	For the year ended March 31, 2018 Amt in ₹	For the year ended March 31, 2017 Amt in ₹
Interest on		
- Inter corporate deposit and foreign currency loan	80,431,599	5,918
- Others	2,176	-
Bank and other finance charges	5,058,891	759
	85,492,666	6,677

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

21 Other expenses

	For the year ended March 31, 2018 Amt in ₹	For the year ended March 31, 2017 Amt in ₹
Rent	525,392	-
Rates and taxes	42,400	2,400
Insurance (net of reimbursement)	4,455,808	-
Other repairs and maintenance (net of reimbursement)	220,027	-
Legal and professional expenses	438,266	30,564
Project expenses written off	-	1,000,000
Payment to auditors (refer note (a) below)	63,064	102,970
Communication expenses	39,834	-
Office expenses	159,465	-
Travelling and conveyance	1,750,414	-
Loss on foreign exchange variation (net)	349,820,918	-
Miscellaneous expenses	470,213	-
	357,985,801	1,135,934

Note: (a)

Payment to Auditor

As Auditor:

	For the year ended March 31, 2018 Amt in ₹	For the year ended March 31, 2017 Amt in ₹
Audit fee	60,000	60,000
Limited review	-	40,000

In Other Capacity

Certification Fees	-	-
Other Services	-	-

Reimbursement of expenses

	3,064	2,970
	63,064	102,970

22 Income tax

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

Statement of profit and loss

Current income tax:

	For the year ended March 31, 2018 Amt in ₹	For the year ended March 31, 2017 Amt in ₹
Current income tax charge	286,570	-
Income tax expenses reported in statement of profit and loss	286,570	-

(b) The Income tax expenses for the year can be reconciled to the accounting profit as follows:

	For the year ended March 31, 2018 Amt in ₹	For the year ended March 31, 2017 Amt in ₹
Accounting profit before taxation	179,739,684	-
Tax using the company's domestic rate	46,282,969	-
Tax effect of :		
Tax benefit on tonnage tax Income	(45,996,399)	-
Effective tax	286,570	-
Income tax expenses recognised in profit and loss	286,570	-

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Shanti Sagar International Dredging Private Limited
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Notes to Financial statements for the year ended March 31, 2018

23 Financial instruments, fair value measurements, financial risk and capital management

23.1 Category-wise classification of financial instruments:

Particulars	Refer note	Amt in ₹	
		As at March 31, 2018	
		Amortised Cost	Carrying value
Financial asset			
Trade receivables	6	260,720,691	260,720,691
Cash and cash equivalents	7	516,144	516,144
Others financial assets	8	1,102,358	1,102,358
		262,339,193	262,339,193
Financial liabilities			
Borrowings	11 & 14	10,112,808,102	10,112,808,102
Trade payables	13	27,074,191	27,074,191
Other financial liabilities	14	21,974,570	21,974,570
		10,161,856,863	10,161,856,863

Particulars	Refer note	Amt in ₹	
		As at March 31, 2017	
		Amortised Cost	Carrying value
Financial asset			
Cash and cash equivalents	7	55,631	55,631
		55,631	55,631
Financial liabilities			
Trade payables	13	56,588	56,588
Other financial liabilities	14	3,105,327	3,105,327
		3,161,915	3,161,915

23.2 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 value that would eventually be received or settled.

23.3 Financial Risk objective and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations/projects. The Company's principal financial assets include trade and 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 exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. The Company's senior management oversees the management of these risks.

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

(a) Market risk

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

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

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2018.

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

(i) Interest rate risk

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

Interest rate sensitivity

The following data demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended March 31, 2018 would decrease / increase by Rs.3.90 crore (previous year Rs.Nil). This is mainly attributable to interest rates on variable rate long term borrowings.

Shanti Sagar International Dredging Private Limited
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Notes to Financial statements for the year ended March 31, 2018

(ii) Foreign currency risk

Exchange rate movements, particularly the Euro (EUR) against Indian Rupee (INR), have an impact on the company's operating results. The below table demonstrates the sensitivity to a 1% increase or decrease in the respective foreign currency rates against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 1%

Particulars	Impact on Pre-tax Profit /(loss)		Impact on Pre-tax Equity	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
	Amt in ₹			
Euro Sensitivity				
Rupees/Euro- Increase by 1%	(78,152,882)	-	(78,152,882)	-
Rupees/Euro- decrease by 1%	78,152,882	-	78,152,882	-

(b) Credit risk

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

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

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.

Concentrations of credit risk form part of credit risk

Considering that the company renders dredging services, the share of revenue of company is from related parties of company. Out of total revenue, the company earns ₹ 1,049,553,171/- of revenue during the year ended March 31,2018 (previous year Rs NIL) from such users which constitute 95.82%(previous year Nil). Accounts receivable from such customer was ₹ 260,720,691/- as at March 31,2018 (100%) and as at March 31,2017 Rs NIL. A loss of these customer could adversely affect the operating result or cash flow of the company.

(c) Liquidity risk

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

Maturities of financial liability

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

As on March 31, 2018							Amt in ₹
Particulars	Refer Note	Book value	On demand or Within 1 year	Over 1 year Within 5 years	Over 5 years	Total	
Borrowings	11 & 14	10,112,808,102	739,397,679	5,668,133,378	3,705,277,045	10,112,808,102	
Other financial liabilities	14	21,974,570	21,974,570	-	-	21,974,570	
Trade and other payables	13	27,074,191	27,074,191	-	-	27,074,191	
		10,161,856,863	788,446,440	5,668,133,378	3,705,277,045	10,161,856,863	

As on March 31, 2017							Amt in ₹
Particulars	Refer Note	Book value	On demand or Within 1 year	Over 1 year Within 5 years	Over 5 years	Total	
Borrowings	11 & 14	-	-	-	-	-	
Other financial liabilities	14	3,105,327	3,105,327	-	-	3,105,327	
Trade and other payables	13	56,588	56,588	-	-	56,588	
		3,161,915	3,161,915	-	-	3,161,915	

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Shanti Sagar International Dredging Private Limited
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Notes to Financial statements for the year ended March 31, 2018

23.4 Capital management

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

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

Particulars	Refer note	Amt in ₹	
		As at March 31, 2018	
Total borrowings	11 & 14	10,112,808,102	
Less: Cash and cash equivalents	7	516,144	
Net Debt (A)		10,112,291,958	
Total Equity (B)	9,10	176,518,665	
Total Equity and Net Debt (C = A + B)		10,288,810,623	
Gearing ratio			98%

During the comparative period ended March 31,2017, there was no borrowings outstanding in the company. Accordingly, no disclosure are there for comparative period

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

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

24 Earnings per share

Profit/(Loss) attributable to equity shareholders of the company
 Weighted average number of equity shares
 Basic and Diluted earning per share (in ₹)

	As at March 31, 2018 Amt in ₹	As at March 31, 2017 Amt in ₹
Profit/(Loss) attributable to equity shareholders of the company	179,453,114	(1,142,611)
Weighted average number of equity shares	50,000	50,000
Basic and Diluted earning per share (in ₹)	3,589.06	(22.85)

25 Capital commitments & other commitment

Capital commitments

Particulars	Amt in ₹	
	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	1,934,363	-

26 Contingent liabilities not provided for

Based on the information available with the Company, there is no contingent liability at year ended March 31,2018 (March 31, 2017 : NIL).

27 Segment information

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

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Shanti Sagar International Dredging Private Limited
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Notes to Financial statements for the year ended March 31, 2018

28 Disclosures as required by Ind AS - 19 Employee Benefits

The company has a defined gratuity plan and is governed by the Payment of Gratuity Act, 1972. Under the Act every employee who has completed at least five year of service is entitled to gratuity benefits on departure at 15 days salary (last drawn salary) for each completed year of service.

During the comparative period ended March 31,2017, there was no employee in the company. Accordingly, no disclosure are there for comparative period

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:

Amt in ₹

Particulars	As at March 31, 2018
Present value of the defined benefit obligation at the beginning of the year	-
Current service cost	98,155
Past Service Cost	-
Interest cost	19,138
Re-measurement (or Actuarial) (gain) / loss arising from:	-
- change in demographic assumptions	-
- change in financial assumptions	-
- experience variance	29,788
Benefits paid	-
Acquisition Adjustment	245,539
Present value of the defined benefit obligation at the end of the year	392,620

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

Amt in ₹

Contribution to	As at March 31, 2018
Present value of the defined benefit obligation at the end of the year	392,620
Fair value of plan assets at the end of the year	-
Amount recognised in the balance sheet	(392,620)
Net (liability)/asset - Current	(1,723)
Net (liability)/asset - Non-current	(390,897)

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

Amt in ₹

Particulars	As at March 31, 2018
Current service cost	98,155
Interest cost on benefit obligation	19,138
Total Expense included in employee benefits expense	117,293

d) Recognised in the other comprehensive income for the year

Amt in ₹

Particulars	As at March 31, 2018
Actuarial (gain)/losses arising from	-
- change in demographic assumptions	-
- change in financial assumptions	-
- experience variance	29,788
Return on plan assets, excluding amount recognised in net interest expense	-
Recognised in comprehensive income	29,788

e) Maturity profile of Defined Benefit Obligation

Particulars	As at March 31, 2018
Weighted average duration (based on discounted cashflows)	12 years

Amt in ₹

Expected Cash flows over the next (Value on undiscounted basis)	As at March 31, 2018
1 year	1,723
2 to 5 years	182,247
6 to 10 years	36,205
More than 10 years	993,556

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

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	As at March 31, 2018	
	Discount rate	
Sensitivity level	1% Increase	1% Decrease
	Amt in ₹	Amt in ₹
Impact on defined benefit obligations	(43,059)	50,957

Particulars	As at March 31, 2018	
	Salary Growth rate	
Sensitivity level	1% Increase	1% Decrease
	Amt in ₹	Amt in ₹
Impact on defined benefit obligations	50,854	(43,731)

Particulars	As at March 31, 2018	
	Attrition rate	
Sensitivity level	0.5% Increase	0.5% Decrease
	Amt in ₹	Amt in ₹
Impact on defined benefit obligations	(625)	539

Particulars	As at March 31, 2018	
	Mortality rate	
Sensitivity level	0.1% Increase	0.1% Decrease
	Amt in ₹	Amt in ₹
Impact on defined benefit obligations	116	(117)

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	As at March 31, 2018
Discount rate	7.80%
Rate of escalation in salary (per annum)	7.00%
Mortality	As per table of sample mortality from India Assured Lives Mortality (2006-08)
Attrition rate	10% for 5 years & below and 1% thereafter
Attrition rate - Equal & Above Service of 5 Years	1.00%

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.

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Shanti Sagar International Dredging Private Limited
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Notes to Financial statements for the year ended March 31, 2018

29 Related Parties transactions

Particulars	Name of Company
Holding Company	Adani Ports and Special Economic Zone Ltd
Entities over which major shareholders of the Company are able to exercise significant influence through voting powers.	Adani Bunkering Private Limited
Fellow Subsidiary	Adani Hazira Port Private Limited
	The Dhamra Port Company Limited
	Adani Petronet Dahej Port Private Limited
	Adani Hospitals Mundra Private Limited
	Adani Vizhinjam Port Private Limited
Key Management Personnel	Mr. Amit Uplenchwar (upto 14.01.2018)
	Mr. Ennarasu Karunesan
	Mr. Mukesh Saxena
	Mr. Jai Singh Khurana (w.e.f 13.01.2018)

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.

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

Amt in ₹

Transactions	Name of Related Party	For the year ended on March 31, 2018	For the year ended on March 31, 2017
Purchase of goods	Adani Bunkering Private Limited	28,869,812	-
	Adani Ports and Special Economic Zone Limited	35,845,754	-
	Adani Hazira Port Private Limited	2,242,118	-
Rendering of services (incl reimb of expenses)	Adani Ports and Special Economic Zone Limited	318,142,529	-
	The Dhamra Port Company Limited	526,887,458	-
	Adani Hazira Port Private Limited	194,234,541	-
	Adani Petronet Dahej Port Private Limited	6,794,667	-
Services availed (incl reimb of expenses)	Adani Hospitals Mundra Private Limited	38,850	-
Inter-corporate deposit (taken)	Adani Ports and Special Economic Zone Limited	3,662,340,400	2,000,000
Inter-corporate deposit (repayment)	Adani Ports and Special Economic Zone Limited	958,428,658	464,900,000
Interest expense	Adani Ports and Special Economic Zone Limited	71,590,879	-
Reimbursement of expenses	Adani Vizhinjam Port Private Limited	362,907,185	-
	Adani Ports and Special Economic Zone Limited	4,405,252	-
Capital advance received back	Adani Ports and Special Economic Zone Limited	-	461,800,000
Acquisition of Maintenance Dredging Undertaking (refer note 34)	Adani Ports and Special Economic Zone Limited	960,000,000	-
Acquisition of Dredging Division (refer note 34)	Adani Hazira Port Private Limited	190,000,000	-

Amt in ₹

Closing Balances	Name of Related Party	As at March 31, 2018	As at March 31, 2017
Trade payables	Adani Bunkering Private Limited	4,272,745	-
	Adani Ports and Special Economic Zone Limited	273,861	-
Advances given	Adani Bunkering Private Limited	1,571,360	-
Other payable	Adani Ports and Special Economic Zone Limited	-	3,100,001
Advances received	Adani Ports and Special Economic Zone Limited	12,441,531	-
	The Dhamra Port Company Limited	181,428,540	-
Trade receivable	Adani Hazira Port Private Limited	71,410,327	-
	Adani Petronet Dahej Port Private Limited	7,881,824	-
Borrowings			
Inter corporate deposit	Adani Ports and Special Economic Zone Limited	2,703,911,742	-
Interest accrued but not due	Adani Ports and Special Economic Zone Limited	7,427,565	-

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

30 Based on the information and supplier's profile available with the Company, the management believes that no creditor is covered under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosure if any, relating to amount unpaid as at the period end together with the interest paid/payable as required under the said Act is not applicable.

31 Standard issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs("MCA") has issued 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.

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.

32 Changes in accounting policies and disclosures

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 April 2017. The nature and the impact of each amendment is described below:

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 both the current Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended)

Amt in ₹

Particulars of Liabilities arising from Financing activity	As at March 31, 2017	Changes from financing cash flows (net)	Non Cash changes		As at March 31, 2018
			Effect due to changes in foreign exchange rates	Other changes	
Inter Corporate Deposit	-	2,703,911,742	-	-	2,703,911,742
Foreign currency term loans from banks	-	7,002,022,259	391,731,843	15,142,258	7,408,896,360
Interest Accrued but not due	5,326	(59,041,296)	-	80,431,599	21,395,629
Total Liabilities from financing activities	5,326	9,646,892,705	391,731,843	95,573,857	10,134,203,731

33 Unhedged foreign currency exposure

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

Nature	Currency	As at March 31, 2018		As at March 31, 2017	
		Amount	Foreign Currency	Amount	Foreign Currency
		Amt in ₹	In Actuals	Amt in ₹	In Actuals
Foreign currency loan	EUR	7,800,368,258	96,530,251	-	-
Trade Payables & Other Current Liabilities	EUR	951,912	11,780	-	-
Interest accrued but not due	EUR	13,968,064	172,856	-	-

Closing rates as at March 31, 2018:

INR / EURO =80.8075

Closing rates as at March 31, 2017:

INR / EURO =69.2925

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Shanti Sagar International Dredging Private Limited
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Notes to Financial statements for the year ended March 31, 2018

34 The Company has entered into a business transfer agreement with Adani Ports and Special Economic Zone Limited("APSEZ") & Adani Hazira Port Private Limited("AHPPL") dated April 01, 2017 for acquiring the "Maintenance Dredging Undertaking" and "Dredging Division" respectively. The consideration to be paid is ₹96,00,00,000 and ₹19,00,00,000 respectively.

Further, the Company being under Common Control in accordance with Indian Accounting Standard 103, Business Combination (Ind AS 103) the accounting for business combination has been done using the pooling of interest method.

The Company has accounted for the Business transfer in accordance with the provisions of the agreement ,whereby the assets and liabilities of the "Maintenance Dredging Undertaking" and "Dredging Divisions" of the Transferor Companies have been recognized at their carrying value in the books of the Transferee Company as at April 01, 2017.

Details of book value of assets and liabilities of the "Maintenance Dredging Undertaking" of APSEZ and "Dredging Division" of AHPPL in the books of Company as on the effective date i.e., April 01, 2017. are as follows:

Particulars	Amount (in ₹)
Non-Current Assets	
Property, Plant and Equipment	1,095,685,064
Total Non-Current Assets	1,095,685,064
Current assets	
Inventories	43,489,772
Financial Assets	
(i) Trade Receivables and other current assets	14,210,250
Total Current Assets	57,700,022
Total Assets (A)	1,153,385,086
LIABILITIES	
Current Financial Liabilities	
(i) Trade Payables	3,385,081
Total Current Liabilities	3,385,081
Total Liabilities (B)	3,385,081
Net Assets (A-B) (as on appointed date)	1,150,000,000
Total Net Assets	1,150,000,000
Less: Purchase Consideration	1,150,000,000
Capital Reserve	-

35 Approval of financial statements

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

The accompanying notes form an integral part of financials statements

As per our report of even date.

For G. K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

For and on behalf of Board of Directors

Sandip A Parikh
 Partner
 Membership No. 40727

Mukesh Saxena
 Director
 DIN: 07337179

Jai Khurana
 Director
 DIN: 05140233

Place: Ahmedabad
 Date: April 28, 2018

Place: Ahmedabad
 Date: April 28, 2018