

INDEPENDENT AUDITOR'S REPORT

To the Members of The Dhamra Port Company Limited

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 33 to the Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 39 to the Ind AS financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All Property, Plant and Equipment (including those covered under concession agreement) have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the company has constructed the immovable properties included in Property, Plant and Equipment in terms of the Concession Agreement with Government of Orissa dated April 02, 1998 which is for the period of 34 years.

- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and being an infrastructure company, provision of section 186 of the Companies Act, 2013 is not applicable to the Company and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services rendered by the Company.

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

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

(c) According to the records of the Company, the dues outstanding of income-tax, on account of dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in crores)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	6.07*	2005-06 to 2009-10	Customs, Excise and Service Tax Appellate Tribunal, Kolkata
Finance Act, 1994	Service Tax	3.83	2010-11 to 2012-13	Commissionerate of Central Excise, Customs & Service Tax, Bhubaneswar
Finance Act, 1994	Service Tax	2.00	2010-11 to 2013-14	Commissioner of Central Excise and Service Tax (Appeals)
Finance Act, 1994	Service Tax	0.42	2014-15 to 2015-16	Commissionerate of Central Excise, Customs & Service Tax, Bhubaneswar
Finance Act, 1994	Service Tax	63.29	2011-12 to 2014-15	Commissioner (Audit), Central Excise & Service Tax

* Paid Rs.0.30 crores under protest against the demand.

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

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Santosh Aggarwal

Partner

Membership Number: 93669

Place of Signature: Ahmedabad

Date: April 30, 2018

Annexure 2 to the Independent Auditor's Report of Even Date on the Ind-AS Financial Statements of The Dhamra Port Company Limited

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

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

The Dhamra Port Company Limited
Balance Sheet as at March 31, 2018

Particulars	Notes	₹ in Crs	
		As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	3,338.13	3,113.86
(b) Capital work-in-progress	4	1,636.84	1,454.07
(c) Other Intangible Assets	4	1.04	1.48
(d) Non-Current Financial Assets			
(i) Trade Receivables	6	-	11.09
(ii) Other Financial Assets	8	300.09	11.58
(e) Other Non-Current Assets	9	133.45	218.87
(f) Deferred Tax Assets (net)	10	-	39.53
		5,409.55	4,850.48
Current assets			
(a) Inventories	10	32.93	27.98
(b) Financial Assets			
(i) Investments	5	-	4.56
(ii) Trade Receivables	6	230.02	282.65
(iii) Customers' Bills Discounted	6	30.34	-
(iv) Cash and Cash Equivalents	11	120.21	319.55
(v) Bank balances other than (iv) above	12	5.18	2.41
(vi) Loans	7	1.68	-
(vii) Other Financial Assets	8	63.95	167.01
(c) Other Current Assets	9	160.06	131.59
		644.37	935.75
	Total Assets	6,053.92	5,786.23
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	13	1,148.00	1,148.00
(b) Other Equity	14	(66.66)	(132.83)
	Total Equity	1,081.34	1,015.17
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	4,067.51	3,640.77
(b) Provisions	16	-	0.97
(c) Other Non-Current Liabilities	17	50.52	51.66
		4,118.03	3,693.40
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	188.15	46.40
(ii) Customers' Bills Discounted		30.34	-
(iii) Trade Payables	18	67.24	101.19
(iv) Other Financial Liabilities	19	552.11	893.02
(b) Provisions	16	1.66	0.43
(c) Liabilities for Current Tax (net)		-	17.86
(d) Other Current Liabilities	17	15.05	18.76
		854.55	1,077.66
	Total Liabilities	4,972.58	4,771.06
	Total Equity and Liabilities	6,053.92	5,786.23

The accompanying notes forms integral part of Financial Statements
As per our report of even date

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

For and on behalf of Board of Directors of
The Dhamra Port Company Limited

per Santosh Aggarwal
Partner

Membership No.93669

Subrat Tripathy
Director &
Chief Executive Officer
DIN: 06890393

Unmesh Abhyankar
Director
DIN: 03040812

Rakesh Shah
Chief Financial Officer

Place: Ahmedabad
Date: April 30, 2018

Place: Ahmedabad
Date: April 30, 2018

The Dhamra Port Company Limited
Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Notes	₹ in Crs	
		For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
INCOME			
Revenue from Operations	20	930.84	1,127.07
Other Income	21	61.04	36.59
Total Income		991.88	1,163.66
EXPENSES			
Operating Expenses	22	261.57	225.77
Terminal Royalty Expenses		72.57	81.95
Employee Benefits Expense	23	23.20	22.36
Depreciation and Amortization Expense	5	218.70	200.17
Foreign Exchange/Derivatives (Gain) on transactions other than borrowings (net)	26	(10.34)	(53.64)
Finance Costs	24	392.96	259.36
Other expenses	25	37.64	37.73
Total Expense		996.30	773.70
(Loss)/Profit Before Tax		(4.42)	389.96
Tax Expense:			
Current Tax	27	1.40	39.53
Tax credit relating to earlier periods	27	(0.11)	-
Less: Tax adjustment/(Credit) under Minimum Alternative Tax (MAT)		39.53	(39.53)
Income tax expense		40.82	-
(Loss)/Profit for the year	(A)	(45.24)	389.96
Other Comprehensive Income			
(i) Other Comprehensive income not be reclassified to profit or loss in subsequent periods			
Re-measurement of net defined benefit plans (net)		0.02	0.35
Total Other Comprehensive Income net of tax	(B)	0.02	0.35
Total Comprehensive Income for the year	(A+B)	(45.22)	390.31
Basic and diluted earnings per equity shares (in ₹) face value of ₹ 10 each	32	(0.39)	3.40

The accompanying notes forms integral part of Financial Statements
As per our report of even date

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

For and on behalf of Board of Directors of
The Dhamra Port Company Limited

per Santosh Aggarwal

Partner
Membership No.93669

Subrat Tripathy
Director &
Chief Executive Officer
DIN: 06890393

Unmesh Abhyankar
Director
DIN: 03040812

Rakesh Shah
Chief Financial Officer

Place: Ahmedabad
Date: April 30, 2018

Place: Ahmedabad
Date: April 30, 2018

The Dhamra Port Company Limited
Statement of Changes in Equity for the year ended March 31, 2018

Particulars	Reserves & Surplus			Total
	Equity Share Capital	Deemed Equity Contribution (Refer Note - 14.1)	Retained Earnings	
Balance as at April 1, 2016	1,148.00	137.71	(839.16)	446.55
Equity Component of Interest Free Loan	-	178.31	-	178.31
Profit for the year	-	-	389.96	389.96
Other Comprehensive Income	-	-	0.35	0.35
Total Comprehensive Income for the year	-	-	390.31	390.31
Balance as at March 31, 2017	1,148.00	316.02	(448.85)	1,015.17
Equity Component of Interest Free Loan	-	111.39	-	111.39
(Loss) for the year	-	-	(45.24)	(45.24)
Other Comprehensive Income	-	-	0.02	0.02
Total Comprehensive Income for the year	-	-	(45.22)	(45.22)
Balance as at March 31, 2018	1,148.00	427.41	(494.07)	1,081.34

The accompanying notes forms integral part of Financial Statements
As per our report of even date

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

For and on behalf of Board of Directors of
The Dhamra Port Company Limited

per Santosh Aggarwal
Partner
Membership No.93669

Subrat Tripathy
Director & Chief Executive Officer
DIN: 06890393

Unmesh Abhyankar
Director
DIN: 03040812

Rakesh Shah
Chief Financial Officer

Place: Ahmedabad
Date: April 30, 2018

Place: Ahmedabad
Date: April 30, 2018

The Dhamra Port Company Limited
Statement of Cash Flows for the year ended March 31, 2018

Particulars	₹ in Crs	
	For the Year Ended	For the Year Ended
	March 31, 2018	March 31, 2017
Cash flow from Operating Activities		
(Loss)/Profit Before Tax	(4.42)	389.96
Adjustments for:		
Loss on sale / discard of Property, Plant and Equipments (net)	3.70	0.06
Excess provision Written Back	(0.27)	(12.39)
Depreciation and Amortisation	218.70	200.17
Finance Income (Including change in fair valuation)	(52.62)	(17.64)
Amortisation of Government Grant	(1.14)	(1.14)
Profit on sale of Current Investments	(1.39)	(3.23)
Finance Cost	392.96	259.36
Allowances for Doubtful advances (net)	0.09	7.11
Unrealised Foreign Exchange Loss/(Gain) (net)	0.92	(10.40)
Derivative (Gain)	(11.26)	(47.28)
Operating profit before working capital changes	545.27	764.58
Movements in Working Capital :		
Decrease in Trade Receivables	33.29	56.28
(Increase) in Inventories	(4.95)	(0.62)
(Increase) in Financial Assets	(1.10)	(24.16)
Decrease/(Increase) in Other Assets	3.19	(90.08)
(Decrease)/Increase in Trade Payables	(33.95)	40.37
(Decrease)/Increase in Other Liabilities	(3.44)	19.23
Increase in Provisions	0.34	-
Increase in Financial Liabilities	15.73	0.01
Cash Generated From Operations	554.38	765.61
Income Taxes Paid	(39.82)	(21.07)
Net cash Inflow from operating activities (A)	514.56	744.54
Cash Flows From Investing Activities		
Purchase of Property, Plant & Equipments (Including Capital work In progress and Capital Advances)	(504.47)	(967.03)
Deposit Given against the capital contract	(192.84)	-
Proceeds from sale of Property, Plant & Equipments	(1.77)	-
Disposal of investment in equity shares of subsidiary companies	-	0.10
Inter Corporate Deposit Given	(1.68)	-
Interest Received	20.38	5.16
Proceeds from Sale / (Purchase) of Investment in Mutual Funds (net)(refer note 2 below)	5.96	(1.33)
Deposit of Margin Money with Banks	(2.77)	(1.08)
Net cash Outflow from Investing Activities (B)	(677.19)	(964.18)
Cash flows from Financing Activities		
Proceeds from Long Term Borrowings	-	2,608.20
Repayment of Long Term Borrowings	(25.00)	(2,556.13)
Proceeds against Bill Discounting Arrangement	30.34	-
Proceeds form Intercorporate Loan	1,560.53	793.18
Repayment of Intercorporate Loan	(1,359.72)	(362.07)
Gain On Settlement of Derivative Contracts	4.71	60.78
Finance Cost Paid	(247.57)	(104.98)
Net cash (Outflow)/Inflow from Financing Activities (C)	(36.71)	438.98
Net (Decrease)/Increase in Cash & Cash Equivalents (A + B + C)	(199.34)	219.34
Cash & cash equivalents at the beginning of the year	319.55	100.21
Cash & cash equivalents at the end of the year (Refer note- 11)	120.21	319.55

Notes:

Component of Cash and Cash equivalents

Cash on hand

Balances with scheduled bank

On current accounts

Deposits with original maturity of less than three months

Total cash and cash equivalents (Refer note- 11)

-	-
113.26	312.90
6.95	6.65
120.21	319.55

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

(2) Purchase of investment in Mutual Fund is ₹ 1,284.34 Crs (previous year ₹ 1,331.14 Crs) and sale of investment in Mutual Fund is ₹ 1,290.30 Crs (previous year ₹ 1,329.81 Crs).

(3) Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given as per note 19(a).

(4) During the year Long term loan of ₹ 323.69 crores was repaid to the financial institution by the parent company on behalf of the company which has been added in the inter - corporate deposits. The impact of the aforesaid transaction was not given in the cash flow from financing activities considering the same as non - cash transaction.

The accompanying notes forms integral part of Financial Statements

As per our report of even date

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

For and on behalf of Board of Directors of
The Dhamra Port Company Limited

per **Santosh Aggarwal**
Partner

Membership No.93669

Subrat Tripathy
Director &
Chief Executive Officer
DIN: 06890393

Unmesh Abhyankar
Director
DIN: 03040812

Rakesh Shah
Chief Financial Officer

Place: Ahmedabad
Date: April 30, 2018

Place: Ahmedabad
Date: April 30, 2018

The Dhamra Port Company Limited

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

1 Corporate information

The Dhamra Port Company Limited ("DPCL" or "the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, applicable in India. The registered office of the company is located at HIG-20 BDA Colony, Jayadev Vihar Bhubaneswar-751013, Odisha, India. The Company operates an all-weather modern deep sea port at Dhamra in the State of Odisha, under a concession awarded by the Government of Odisha (Grantor) on Build-Own-Operate-Share-Transfer [BOOST] basis for a period of 34 years (including the maximum period of four years for construction) effective from September 27, 2008. The Company has started its commercial operations from May 06, 2011

2 Basis of preparation

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

The financial statements have been prepared on the historical cost basis, except for following assets and liabilities that are measured at fair values at the end of each reporting period.

- Derivative Financial Instruments
- Current Investments
- Defined Benefit Plan - Plan Assets measured at fairvalue
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

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

3 Summary of significant accounting policies

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

b) Foreign Currencies transactions

The Company's financial statements are presented in INR, which is also the functional currency of the Company. The Company determines the functional currency and items included in the financial statements are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of the following -

Exchange differences arising on long-term foreign currency monetary items related to acquisition of Property, Plant and Equipment (including funds used for project work in progress) recognised in the Indian GAAP Financial Statement for the period ending immediately before the beginning of the first Ind-AS financial reporting period i-e March 31, 2016 are capitalised/decapitalised to cost of Property, Plant and Equipment and depreciated over the remaining useful life of the assets.

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

c) Fair value measurement

The Company measures financial instruments, such as, derivatives and current investments 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, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

The Dhamra Port Company Limited
Notes to Financials statements for the year ended March 31, 2018

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
 - Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
 - Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
- For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for recurring fair value measurement, such as derivative instruments, investment in mutual funds and unquoted financial assets measured at fair value.

External valuers are involved for valuation of unquoted financial assets and financial liabilities, 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 Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions (refer note 28 & 29)
- Quantitative disclosures of fair value measurement hierarchy (refer note 29)
- Financial instruments (including those carried at amortised cost) (refer note 28)

d) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefit will flow to the Company and 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.

Sales tax/Value added tax (VAT)/Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the services rendered by the seller on behalf of the Government. Accordingly, it is excluded from Revenue.

Port Operation Services

Revenue from port operation services including cargo handling, storage and rail infrastructure are recognized on completion of service. Revenue on take-or-pay charges are recognized for the quantity that is the difference between annual agreed tonnage and actual quantity of cargo handled. The amount recognised as a revenue is exclusive of service tax and Goods and Service Tax(GST) where applicable.

Freight Revenue Share from Railways

Income from railways is recognised when right to share the freight is established and there is no uncertainty in regard to ultimate collection of the same. Income has been recognised net of company's share of freight income and Cost of operations & maintenance apportioned by the Eastern Coastan Railway (ECOR).

Income from SEIS

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

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. Interest income is included in finance income in the statement of profit and loss.

e) Government Grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Where Government grants relates to assets, the cost of assets are presented at gross value and grant thereon is recognised as income in the statement of profit and loss over the useful life of the related assets in proportion in which depreciation is charged over the expected useful life of the related assets.

Revenue grants are recognised in the statement of profit and loss in the same period as the related cost which they are intended to compensate are accounted for when the grant relates to an expenses item it is recognised as a income on a systematic basis over the periods that the related costs for which is intended to compensate are expended.

f) Inventories

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

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

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

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

g) Property, plant and equipment (PPE)

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

Capital Work in Progress comprises of construction and procurement cost of port related infrastructure (project). Cost of Capital work in progress includes direct cost in the nature of Engineering, Procurement and Construction charges (EPC Charges) paid/payable to contractors and other direct and indirect cost incurred during the construction phase which are attributable to development of the project. Borrowing cost relating to acquisition / construction of Property, Plant and Equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. All other costs are recognised in the profit or loss incurred.

The Dhamra Port Company Limited
Notes to Financials statements for the year ended March 31, 2018

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

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

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

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

Assets	Estimated useful life
Leasehold Land Development, Buildings, Immovable Properties and Dredged Channel	Estimated useful life as per Part C of Schedule II or the balance period of the Concession Agreement, whichever is lower
Marine structure and Backup Yard	40 Years
Rubber Fenders	10 Years

An item of property, plant and equipment covered under Concession agreement, shall be transferred to and shall vest in Grantor at the end of concession agreement. In cases, where the Company is expected to receive consideration of residual value of property from grantor at the end of concession period, the residual value of contracted property is considered as the carrying value at the end of concession period based on depreciation rates as per management estimate/Schedule II of the Companies Act, 2013 and in other cases it is Nil.

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

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

h) Intangible Assets

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

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

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

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

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

Intangible assets	Method of Amortisation	Estimated Useful Life
Software applications	On Straight Line basis	5 Years or useful life whichever is less

i) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing Costs includes interest on borrowing and exchange difference arising from foreign currency borrowing to the extent that they are regarded as an adjustment to interest costs. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

j) Leases

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

The Company as a lessee

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

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

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

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

The Company as a lessor

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

k) Impairment of non-financial assets

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

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

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

l) Taxes

Tax expense comprises of current income tax and deferred tax.

i) Current income tax

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

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

ii) Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences,

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

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

The Company is eligible and claiming tax deductions available under section 80IA of the Income Tax Act, 1961 w.e.f FY 2013-14. In view of Company availing tax deduction under Section 80IA of the Income Tax Act, 1961, deferred tax has been recognized in respect of temporary difference, which reverse after the tax holiday period in the year in which the temporary difference originate and no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the temporary difference which originate first are considered to reverse first.

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

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

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

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

m) 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.

n) Retirement and other employee benefits

Defined contribution plan: 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.

Defined benefit plans: 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

The Dhamra Port Company Limited
Notes to Financials statements for the year ended March 31, 2018

Compensated Absences: 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.

Short term employee benefits: They are recognised at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are received.

o) Financial instruments

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

➤ Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

Equity investments

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

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

Derecognition

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

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

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

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

Impairment of financial assets

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

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

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.

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.

The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

➤ Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

The Dhamra Port Company Limited
Notes to Financials statements for the year ended March 31, 2018

Loans and borrowings

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

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

This category generally applies to borrowings.

Derecognition

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

Reclassification of financial assets

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

Offsetting of financial instruments

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

p) Derivative financial instruments

Initial recognition and subsequent measurement

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

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

q) Segment Reporting

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

r) 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 as integral part of company's cash management.

The Company applied for the first time certain amendment to the Standard, which are effective for annual periods beginning on or after April 1, 2017. The nature and the impact of amendment is disclosed as per note 19(a)

s) 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.

3.1 Significant accounting estimates and assumptions

The preparation of the Company's 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. 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 Dhamra Port Company Limited

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

i) Taxes

Deferred tax assets (including Tax Credit under Minimum Alternate Tax (MAT)) are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in note 25.

ii) Defined benefit plans (gratuity benefits)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in note 37

iii) Fair value measurement of financial instruments

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

iv) Provision for Decommissioning Liabilities

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

(This space has been left intentionally blank.)

The Dhamra Port Company Ltd
Notes to Financials statements for the year ended March 31, 2018
Note 4 - Property, plant and equipment

Particulars	Tangible assets										Intangible assets		Grand Total	
	Freehold land	Building	Computer Hardware	Leasehold Land Development	Office Equipments	Plant & Machinery	Furniture & Fixtures	Vehicles	Dredged Channels	Railway Tracks and Sidings	Total	Software		Total
Cost														
As at April 1, 2016	0.77	679.52	1.30	342.33	3.03	795.68	2.72	1.19	667.13	541.87	3,035.54	3.91	3.91	3,039.45
Additions	-	88.56	0.54	-	1.15	22.45	0.21	0.31	310.09	5.74	429.05	0.32	0.32	429.37
Deductions/Adjustment	-	-	(0.14)	-	(0.12)	-	(0.11)	(0.22)	-	-	(0.59)	-	-	(0.59)
Borrowing	-	14.24	-	-	-	-	-	-	6.85	-	21.09	-	-	21.09
Exchange difference	-	2.99	-	4.32	-	1.88	-	-	12.34	5.04	26.57	-	-	26.57
As at March 31, 2017	0.77	785.31	1.70	346.65	4.06	820.01	2.82	1.28	996.41	552.65	3,511.66	4.23	4.23	3,515.89
Additions	-	166.25	1.06	137.82	2.01	99.58	0.85	0.20	32.47	0.17	440.41	0.05	0.05	440.46
Deductions/Adjustment	-	(0.46)	(0.32)	-	(0.34)	(1.35)	(0.44)	(0.29)	-	-	(3.20)	-	-	(3.20)
Borrowing	-	5.47	-	-	-	3.32	-	-	-	-	8.79	-	-	8.79
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	0.77	956.57	2.44	484.47	5.73	921.56	3.23	1.19	1,028.88	552.82	3,957.66	4.28	4.28	3,961.94
Depreciation/amortisation														
As at April 1, 2016	-	31.26	0.38	13.12	0.96	74.93	0.36	0.28	25.37	46.84	193.50	1.78	1.78	195.28
Depreciation - De-Merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	34.85	0.46	13.29	0.82	76.37	0.36	0.26	29.65	48.73	204.79	0.97	0.97	205.76
Deductions/(Adjustment)	-	-	(0.14)	-	(0.10)	-	(0.06)	(0.19)	-	-	(0.49)	-	-	(0.49)
As at March 31, 2017	-	66.11	0.70	26.41	1.68	151.30	0.66	0.35	55.02	95.57	397.80	2.75	2.75	400.55
Depreciation for the year	-	37.59	0.55	13.59	0.95	81.48	0.39	0.29	39.14	49.00	222.98	0.49	0.49	223.47
Deductions/(Adjustment)	-	(0.21)	(0.21)	-	(0.15)	(0.32)	(0.19)	(0.17)	-	-	(1.25)	-	-	(1.25)
As at March 31, 2018	-	103.49	1.04	40.00	2.48	232.46	0.86	0.47	94.16	144.57	619.53	3.24	3.24	622.77
Net Block														
As at March 31, 2017	0.77	719.20	1.00	320.24	2.38	668.71	2.16	0.93	941.39	457.08	3,113.86	1.48	1.48	3,115.34
As at March 31, 2018	0.77	853.08	1.40	444.47	3.25	689.10	2.37	0.72	934.72	408.25	3,338.13	1.04	1.04	3,339.17

Capital work-in-progress

Particulars	Amount (₹ in Crs)
Carrying Amount :	
As at March 31, 2017	1,454.07
As at March 31, 2018	1,636.84

-(Refer Note - 35) for break up of cost component of capital work in progress.

Note:-

- The Depreciation expenses of ₹ 4.77 Crs (previous year ₹ 5.59 Crs) on pre-fabricated residential structure(temporary structure) classified under " Building" has been transferred to capital work in progress for subsequent capitalization with the expansion of project works.
- Land Development cost includes cost incurred towards land reclamation of ₹ 480.65 Crs (Previous Year ₹ 346.21 Crs). The Cost includes apportioned cost towards land development out of the total cost incurred towards dredging activities.
- Building includes marine structure, back up yard and other civil structure.
- Property, Plant & Equipment has been pledged as security on borrowings availed by the company. (Refer Note - 15)
- The company has elected to consider the carrying value of all its Property, plant and Equipments as recognised in its previous GAAP Financials, as deemed cost at the transition date i.e., April 01, 2015 as per option permitted under Ind AS 101 for the first time adoption of IndAs.

5 Investments

Current (Valued at fair value through Profit or Loss (FVTPL))

Investment in units of mutual funds - Unquoted
[Nil Units (Previous Year 1,78,71,069 Units) of "SBI Premier Liquid Fund - Direct Plan - Growth Option"]

March 31, 2018	March 31, 2017
₹ in Crs	₹ in Crs
-	4.56
-	4.56
-	4.56

Aggregate Carrying Value and Net Assets Value (NAV) of Unquoted Mutual Fund

The carrying amounts of investments as at the reporting date approximate fair value. Also, refer note 31 for information about credit risk and market risk.

6 Trade Receivables (Unsecured, unless otherwise stated)

Non Current

Considered Good

March 31, 2018	March 31, 2017
₹ in Crs	₹ in Crs
-	11.09
-	11.09

Current

Considered Good
Considered doubtful

260.36	282.65
15.60	15.70
275.96	298.35
(15.60)	(15.70)
260.36	282.65

Less : Allowance for doubtful debts

Customer Bills discounted
Other Trade receivables

30.34	-
230.02	282.65
260.36	282.65

Total Receivable

(For Assets given as Securities, refer note - 15)

Dues from Related Parties included above (Refer note - 41)

The Adani Harbour Services Private Limited
Adani Enterprises Limited
Adani Logistics Limited
Adani Power Limited

0.02	-
23.46	35.60
6.87	2.94
-	4.19

The carrying amounts of trade receivables as at the reporting date approximate fair value. Also, refer note 31 for information about credit risk and market risk.

Notes:

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

b) Generally, as per credit terms trade receivable are collectable within 30-90 days including with the related parties.

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

The relevant carrying amounts are as follows :

Particulars

Total transferred receivables
Associated unsecured borrowings (refer note 15)

March 31, 2018	March 31, 2017
₹ in Crs	₹ in Crs
30.34	-
30.34	-

d) The East Coast Railway (ECoR) uses the company's railway line between Dhamra and Bhadrak for transportation of goods in accordance with the policy for participative models in rail connectivity and capacity augmentation issued by Railway Board vide the policy letter No. 2011/Infra/12/32 dated December 10, 2012.

The Non-Government Railway Agreement has been signed between Ministry of Railway (MoR) & the Company on November 11, 2015 and thereafter the company is recognising the revenue as per the provisions made in the Agreement. Before conclusion of this agreement, the company's share of revenue, which are outstanding as at year end, of ₹38.26 Crs (Previous year ₹ 117.53 crs) is out of total revenue computed and recognised during the period from December 2013 to October 2015 as per the principles specified in the letter dated December 20, 2013 received from East Cost Railway for which management is confident of recovery of outstanding amount.

e) Movement in the Expected Credit Loss Allowances

Balance at the beginning of the year
Movement in expected credit loss allowance on trade receivables
Balance at the end of the year

March 31, 2018	March 31, 2017
₹ in Crs	₹ in Crs
15.70	9.22
(0.10)	6.48
15.60	15.70

7 Loans

Current

Loans to Others (unsecured and considered good unless otherwise stated)

March 31, 2018	March 31, 2017
₹ in Crs	₹ in Crs
1.68	-
1.68	-

8 Other Financial Assets

Non-current

Refundable deposit against contract, pending adjustment (unsecured and considered good unless otherwise stated)(refer note c)
Security Deposits (Unsecured and good unless otherwise stated refer note - 41)
Balance held as Margin money Deposit
Interest Receivable on Advances and Security Deposits (refer note - 41)

March 31, 2018	March 31, 2017
₹ in Crs	₹ in Crs
292.84	-
5.96	4.71
1.29	3.72
-	3.15
300.09	11.58

The Dhamra Port Company Limited
Notes to Financials statements for the year ended March 31, 2018

Current		
Refundable deposit against contract, pending adjustment	-	100.00
Security Deposits	0.54	1.30
Allowances for doubtful Advance	(0.50)	(0.50)
	0.04	0.80
Interest Receivables on Advances, Security and Other deposits (refer note - 41)	46.88	11.49
Non trade receivables (refer note - 41)	1.55	-
Derivatives not designated as hedges - Forward contracts receivables	15.41	8.90
Other receivables (refer note - 3.2 (B) (v))	-	45.75
Loans and Advances to Staff (Unsecured, considered Good)	0.07	0.07
	63.95	167.01

(For Assets given as Securities, refer note - 15)

- a) The carrying amounts of other financial assets as at the reporting date approximate fair value. Also, refer note 31 for information about credit risk and market risk.
b) Derivatives not designated as hedges measured at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts..
c) The Company has received a support letter on record from the management of holding company to ensure compliance of terms of contract including recovery of deposit and interest accrued there on.

9 Other Assets

	March 31, 2018	March 31, 2017
	₹ in Crs	₹ in Crs
Non Current		
Capital Advances (Unsecured and good unless otherwise stated)	46.19	120.56
Advances to Related Party against supplies (refer note - 41)	-	25.00
	46.19	145.56
Others (Unsecured)		
Prepaid Expenses	2.13	2.83
Advance to Gratuity Fund (refer note -37)	-	0.06
Advance Income Tax	37.82	17.15
Advance payment for acquisition of land (refer note iii) below	47.31	53.27
	87.26	73.31
	133.45	218.87
Current		
Advances to suppliers (Unsecured and good unless otherwise stated)	5.24	5.35
Prepaid Expenses	1.46	1.38
Current portion of Advance payment for acquisition of land (refer note iii) below	6.76	6.66
Advances to Related Party against supplies (refer note - 41)	25.00	-
Advances to employees	0.03	0.08
Goods and Service Tax (GST) Credit	61.94	54.35
Unbilled revenue	2.49	1.47
Other Receivables (refer foot note - (i) below)	57.14	62.30
	154.82	126.24
	160.06	131.59

(For Assets given as Securities, refer note - 15)

Dues from Related Parties included above (Refer note - 41)

Adani Bunkering Private Limited	25.00	25.00
Adani Murrugao Port Terminal Private Limited	0.05	0.05

Notes:-

- i) **Service Exports from India Scheme (SEIS)**
SEIS allows Service providers of eligible services to entitlement of Duty credit Scrip at notified rates on net foreign exchange earned. The duty credit scrip being Government Grant, is accounted as stated in the Accounting policy on Government Grant. During the year, company has recognised income of ₹ 26.79 Crs (Previous Year – ₹ 62.30 Crs) on account of SEIS scheme. There are no unfulfilled conditions or other contingencies attaching to these grants.
- ii) No advance or deposit are due from directors or other officers of the Company either severally or jointly with any other person; nor any trade or other receivable are due from firms or private companies in which any director is a partner, director or a member.
- iii) Advance consists of payments towards cost of land required for port which is acquired and owned by Government of Odisha, the payment of which has been initially borne by the company. The payments so made by the company are being adjusted against dues payable to government towards revenue share from the commencement date of operations in annual equal instalments over 15 years.

10 Inventories

	March 31, 2018	March 31, 2017
	₹ in Crs	₹ in Crs
(Lower of Cost or Net Realisable value)		
Stores and spares	32.93	27.98
	32.93	27.98

(For Assets given as Securities, refer note - 15)

11 Cash and cash equivalents

	March 31, 2018	March 31, 2017
	₹ in Crs	₹ in Crs
Balances with banks:		
Balance in current account	113.26	312.90
Deposits with original maturity of less than three months	6.95	6.65
	120.21	319.55

(For Assets given as Securities, refer note - 15)

The carrying amounts of cash and cash equivalents as at the reporting date approximate fair value. Also, refer note 31 for information about credit risk and market risk.

12 Bank balances (Other than cash and cash equivalents)

	March 31, 2018	March 31, 2017
	₹ in Crs	₹ in Crs
Balance held as Margin Money deposits (With original Maturity of More than 3 Months)	5.18	2.41
	5.18	2.41

(For Assets given as Securities, refer note - 15)

The carrying amounts of bank balances as at the reporting date approximate fair value. Also, refer note 31 for information about credit risk and market risk.

Note : Margin money and Fixed deposits are pledged / lien against bank guarantees

13 Equity Share Capital

	March 31, 2018 ₹ In Crs	March 31, 2017 ₹ In Crs
Authorised		
1,150,000,000 Equity Shares of ₹ 10 each (Previous Year 1,150,000,000 Equity Shares of ₹ 10 each)	1,150.00	1,150.00
800,000,000 Redeemable Preference Shares of ₹ 10 each (Previous Year 800,000,000 Redeemable Preference Shares of ₹ 10 each)	800.00	800.00
	1,950.00	1,950.00
Issued, subscribed and fully paid up shares		
1,148,000,000 Equity Shares of ₹ 10 each (Previous Year 1,148,000,000 Equity Shares of ₹ 10 each)	1,148.00	1,148.00
	1,148.00	1,148.00

Notes:

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

	March 31, 2018		March 31, 2017	
	No. in Crs	₹ in Crs	No. in Crs	₹ in Crs
At the beginning of the year	114.80	1,148.00	114.80	1,148.00
New Shares Issued during the year	-	-	-	-
At the end of the year	114.80	1,148.00	114.80	1,148.00

(b) Terms/rights attached to equity shares:

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

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

(c) Shares held by holding company

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

	March 31, 2018 ₹ In Crs	March 31, 2017 ₹ In Crs
Adani Ports and Special Economic Zone Limited, the holding company and its nominee		
1,148,000,000 equity shares (Previous year 1,148,000,000) of ₹ 10 each	1,148.00	1,148.00

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

Particulars	March 31, 2018 ₹ In Crs	March 31, 2017 ₹ In Crs
	Equity shares of ₹ 10 each fully paid	
Adani Ports and Special Economic Zone Limited, the holding company and its nominee	114.80	114.80
	100.00%	100.00%

14 Other Equity

	March 31, 2018 ₹ In Crs	March 31, 2017 ₹ In Crs
Deemed Equity Contribution (refer Note - 14.1)	427.41	316.02
Retained Earnings (refer Note - 14.2)	(494.07)	(448.85)
	(66.66)	(132.83)

Note:-

- Deemed Equity Contribution represents fair valuation adjustment of interest free loan from holding company.
- Retained earnings represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies' Act, 2013. No dividends are distributed given the accumulated losses incurred by the Company.

14.1 Deemed Equity Contribution

	March 31, 2018 ₹ In Crs	March 31, 2017 ₹ In Crs
Balance at the beginning of the year	316.02	137.71
Fair Valuation of Interest Free Loan (refer note - (a) below)	111.39	178.31
Balance at the end of the year	427.41	316.02

a) The company has renewed one of its interest free corporate loan amounting to ₹ 485 Crs from the holding company Adani Ports and SEZ Ltd (hereinafter referred to as "APSEZL") maturing on June 30, 2020. The same has been fair valued using prevailing market interest rate for an equivalent loan and the consequential surplus has been transferred to the deemed equity contribution.

14.2 (Deficit) in the Statement of Profit and loss, Retained Earnings

	March 31, 2018 ₹ In Crs	March 31, 2017 ₹ In Crs
Balance at the beginning of the year	(448.85)	(839.16)
(Loss)/Profit for the year	(45.24)	389.96
Other Comprehensive Income (Refer Note - 3.5 - (c))	0.02	0.35
Balance at the end of the year	(494.07)	(448.85)

15 Borrowings

	March 31, 2018 ₹ In Crs	March 31, 2017 ₹ In Crs
Non-Current		
Secured Borrowings - (Valued at amortised cost)		
a) Rupee Term Loan from bank (refer note - (a) & (b))	458.60	483.32
b) Foreign Currency Term Loan from bank (refer note - (a) & (b))	-	317.96
	458.60	801.28
Unsecured Borrowings valued - at amortised cost		
a) Debentures		
- 9% Compulsory Convertible Debentures (issued to holding company (refer note -41) (refer note (b))	2,457.00	2,457.00
b) Inter Corporate Deposit from holding company (refer note - 41) (refer note (b))	1,059.63	731.41
c) Others - Buyer's credit	151.96	151.20
	3,668.59	3,339.61
Total Non-current Borrowing	4,127.19	4,140.89
Less: Current maturities shown under Other Current Financial Liabilities (refer note 19)	(59.68)	(500.12)
	4,067.51	3,640.77

The Dhamra Port Company Limited
Notes to Financials statements for the year ended March 31, 2018

Current

Unsecured Borrowings - at amortised cost

a) Inter Corporate Deposit from holding company (refer note - 41)(refer note b)
b) Borrowing Bills discounted (refer note - 6) (refer note c)

188.15	46.40
30.34	-
218.49	46.40

Total Current Borrowings

The carrying amounts of borrowings as at the reporting date approximate fair value. Also, (refer note 31) for information about credit risk and market risk.

Security Notes:

- (a) Foreign currency Term Loan and Rupee Term Loan are secured by a first pari passu charge on all immovable Property, Plant and Equipments (including lease hold properties), movable fixed assets, non-current assets & current assets (including book debts, operating cash flows, receivables, revenue), intangible assets, pertaining to the existing project capacity both present & future. Also secured by first pari-passu charge on new assets by way of utilization of the proceeds of loan and all bank accounts including (Trust & Retention Account and Debt Service Account). Also secured by pledge of shares representing 30% of the total equity paid up capital of the Company. Foreign Currency Term loan was repaid during the year however, release of charge is pending at the year end. (For Property plant & Equipments, intangible assets, non-current and current assets refer note 4,6,7,8,9,11,12 and 13.)
- (b) The terms of repayment of term loans and other loans are stated below:-

As at March 31, 2018

Particulars	Currency	Rate of Interest	Terms of Repayment	₹ in Crs
				Carrying Amount
Secured - Bank Rupee Term Loan	INR	9.25%	Principal amount of ₹ 459.72 crores (gross of ancillary charges of ₹ 1.12 crores) payable in variable quarterly installments upto March 2022.	458.60
Compulsory Convertible Debentures	INR	9%	Securities to be converted to equity shares of the Company at the end of 5 Years from the date of allotment at a fair value of the Equity Shares to be determined by the independent valuer on maturity date.	2,457.00
Loan from Related Party	INR	Interest Free	Bullet repayment at the end of June 2020	399.41
Loan from Related Party	INR	Interest Free	Bullet repayment at the end of March 2023	278.82
Buyers' Credit	USD	LIBOR+0.20%	Payable after 90 days and renewable thereafter	151.96
Loan from Related Party	INR	6.25%	Bullet repayment at the end of March 2023	381.39
Loan from Related Party	INR	6.25%	Payable on demand	188.15
				4,315.33

As at March 31, 2017

Particulars	Currency	Rate of Interest	Terms of Repayment	₹ in Crs
				Carrying Amount
Secured - Bank Rupee Term Loan	INR	9.25%	Principal amount of ₹ 484.71 crores (gross of ancillary charges of ₹ 1.41 crores) payable in 24 variable quarterly installments starting from June 2016 to March 2022	483.32
Secured - Bank Foreign Currency Term Loan	USD	LIBOR+2.30%	Principal amount of ₹ 324.25 crores (gross of ancillary charges of ₹ 6.29 crores) Payable in 32 equal quarterly installments starting from June 2018 to March 2026	317.96
Compulsory Convertible Debentures	INR	9%	Securities to be converted to equity shares of the Company at the end of 5 Years from the date of allotment at a fair value of the Equity Shares to be determined by the independent valuer on maturity date.	2,457.00
Loan from Related Party	INR	Interest Free	Bullet repayment at the end of June 2017	475.41
Loan from Related Party	INR	Interest Free	Bullet repayment at the end of March 2023	256.00
Buyers' Credit	USD	LIBOR+0.20%	Payable after 90 days and renewable thereafter	151.20
Loan from Related Party	INR	9%	Payable on demand	46.40
				4,187.29

c) Factored Receivables of ₹ 30.34 crores (Previous Year - Nil) have recourse to the company and interest liability on amount of bill discounted is borne by the customer. The maturity period of the transfer is 1 to 12 months.

16 Provisions

Non-current

Provision for Compensated Absences

March 31, 2018	March 31, 2017
₹ in Crs	₹ in Crs
-	0.97
-	0.97

Current

Provision for Gratuity (Refer note - 37)
Provision for Compensated Absences

0.05	-
1.61	0.43
1.66	0.43

17 Other Liabilities

Non Current

Deferred Revenue arising from Government Grant (refer note - foot note (i) & (ii) below)

March 31, 2018	March 31, 2017
₹ in Crs	₹ in Crs
50.52	51.66
50.52	51.66

Current

Unearned revenue
Statutory liabilities (net of GST input tax credit of ₹ 11.65 Crores)
Deferred Revenue arising from Government Grant (refer note - foot note (i) & (ii) below)
Advance from customers

3.86	-
7.54	8.75
1.14	1.14
2.51	8.87
15.05	18.76

The Dhamra Port Company Limited
Notes to Financials statements for the year ended March 31, 2018

Note:-
i) **Export Promotion Capital Goods (EPCG):**
EPCG scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant. There are no unfulfilled conditions or other contingencies attaching to these grants.

Particulars	March 31, 2018	March 31, 2017
	₹ in Crs	₹ in Crs
Opening Balance	52.80	15.35
Add: Addition during the year	-	38.59
Less: Amortisation during the year	1.14	1.14
Closing Balance	51.66	52.80

18 Trade payables

Payables to micro, small and medium enterprises (refer note - 38)
Trade payables

	March 31, 2018	March 31, 2017
	₹ in Crs	₹ in Crs
	0.06	-
	67.18	101.19
	67.24	101.19

The carrying amounts of trade payables as at the reporting date approximate fair value. Also, refer note 31 for information about credit risk and market risk.
Dues to related parties included in above (Refer note - 41)

19 Other financial liabilities

Particulars	March 31, 2018	March 31, 2017
	₹ in Crs	₹ in Crs
Current		
Current maturities of long term borrowings (refer note - 15)	59.68	500.12
Interest accrued but not due on borrowings	176.00	144.56
Deposits from customers	0.14	0.14
Capital creditors, retention money and other payable	236.27	187.17
Other liabilities	80.02	60.98
Derivatives payable not designated as hedges	-	0.05
	552.11	893.02

The carrying amounts of other financial liabilities as at the reporting date approximate fair value. Also, refer note 31 for information about credit risk and market risk.

Dues to related parties included in above (Refer note - 41)

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

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

Particulars	April 1, 2017	Cash Flows	Foreign Exchange Fluctuation	Changes in Fair Value	Other Changes	(₹ in Crore)
						March 31, 2018
Long-term Borrowings *(Note 1)	3,409.48	(25.00)	0.20	-	(317.12)	3,067.56
Intercompany Deposits (Note 1)	777.81	200.81	-	(53.02)	322.16	1,247.76
Short-term Borrowings*	-	30.34	-	-	-	30.34
Interest Accrued but not due (Note 2)	144.56	(247.57)	-	-	324.76	221.75
TOTAL	4,331.85	(41.42)	0.20	(53.02)	329.80	4,567.41

* Excluding Inter-company Loan

Note - :

1. Other changes in Longterm borrowings and Inter-company deposits represents non cash transactions as referred in note 4 to the cash flow statement.
2. Other changes in interest accrued but not due represents accrual of interest during the year.

(This space has been left intentionally blank.)

20 Revenue from Operations

Income from Port Operations (including government export incentive) (refer note below)
 Share of freight revenue from Railways (Net of O & M Charges and cost apportioned)
 Other operating income

March 31, 2018	March 31, 2017
₹ In Crs	₹ In Crs
756.41	955.78
174.10	170.23
0.33	1.06
930.84	1,127.07

Note :
 The Tug and Towage Agreement between the Company and The Adani Harbour Services Private Limited (TAHSPL), a fellow subsidiary for provision of certain tug/pilotage marine services, at Dhamra Port has been amended w.e.f. April 01, 2017 whereby the Company has allowed TAHSPL to directly provide Pilotage Services at Dhamra Port to the Port users customers, in terms of the contractual agreement which the Company had with its customers as per the notified tariff and has also allowed TAHSPL to use its port infrastructure facilities for provision of such services. Accordingly, revenue from operatin for the year ended March 31, 2018 is not comparable to comparative income for the year ended March 31, 2017.

21 Other Income

Interest Income from Financial Assets not designated as FVTPL
 Bank deposits
 Deposits and Advances
 Unclaimed liabilities/provisions no longer required written back
 Scrap sale
 Profit on Sale of investment in Mutual Fund (net)
 Amortisation of government grant (refer foot note - (i) to note - 17)
 Insurance Claim received
 Miscellaneous Income

March 31, 2018	March 31, 2017
₹ In Crs	₹ In Crs
0.90	0.94
51.72	16.70
0.27	12.39
1.57	1.45
1.39	3.23
1.14	1.14
3.84	-
0.21	0.74
61.04	36.59

22 Operating Expenses

Handling and Storage Expenses
 Demurrage Charges
 Locomotive and Equipment hire Charges
 Tug and Pilotage Charges (refer note 20 ()
 Railway Operating Expenses
 Power & Fuel (net of reimbursement)
 Maintenance Dredging
 Repairs to Buildings
 Repairs to Plant & Machinery
 Store & Spares Consumed (Net of reimbursement)

March 31, 2018	March 31, 2017
₹ in Crs	₹ in Crs
42.72	29.97
33.37	15.24
47.60	39.46
1.73	36.55
26.34	28.56
44.33	42.94
36.58	7.92
1.98	1.20
9.63	7.26
17.29	16.67
261.57	225.77

23 Employee benefit expense

Salaries and Wages
 Contribution to Provident Funds (refer note - 37)
 Gratuity (refer note 38)
 Staff Welfare Expenses

March 31, 2018	March 31, 2017
₹ In Crs	₹ In Crs
19.78	19.31
0.95	1.01
0.29	0.35
2.18	1.69
23.20	22.36

24 Finance Costs

Interest on
 Compulsory Convertible Debentures (Net of Interest cost included in Property, plant & Equipment ₹ 5.69 Crs)
 (Previous Year - ₹ 17.37 Crs)
 Term Loan (Net of Interest cost included in Property, plant & Equipment ₹ 3.14 Crs) (Previous Year - ₹ 30.54 Crs)
 Inter Corporate Deposit (Net of Interest cost included in Property, plant & Equipment ₹ 15.02 Crs) (Previous Year - Nil)
 Buyer's Credit
 Income Tax
 Bank and other finance charges
 (Gain) /Loss on Derivatives / Swap Contracts on borrowings not designated as hedges (net)

March 31, 2018	March 31, 2017
₹ In Crs	₹ In Crs
215.44	139.44
38.97	51.18
78.00	47.70
2.84	1.56
1.31	-
56.40	23.45
392.96	263.33
-	(3.97)
392.96	259.36

25 Other Expenses

Repairs
 Rent (refer note 2 below)
 Rates and Taxes
 Insurance charges
 Payment to Auditors (refer note 1 below)
 Legal and other professional costs
 IT Support Charges
 Corporate support service fees
 Advertisement, promotion and selling expenses
 Travelling expenses
 Security Expenses
 Communication Expenses
 Office Expenses
 Directors Sitting Fee (refer note - 41)
 Loss on sale/discard of property, plant and equipment/other assets (net)
 Corporate Social Responsibility Expenses (refer note - 40)
 Bank charges
 Other General Expenses
 Allowance for trade receivables

March 31, 2018	March 31, 2017
₹ In Crs	₹ In Crs
1.85	2.86
0.53	0.59
0.79	1.08
1.39	1.59
0.19	0.23
4.72	5.50
0.65	0.61
1.52	1.48
0.39	0.46
4.62	4.67
3.37	3.58
0.72	0.62
4.48	2.18
0.02	0.04
3.70	0.06
3.60	0.34
1.93	2.30
3.08	2.43
0.09	7.11
37.64	37.73

The Dhamra Port Company Limited
Notes to Financials statements for the year ended March 31, 2018

Note: 1
Payment to Auditor

As Auditor:

For audit	
For other services	
- Limited Review	
- Certification Fees	
For reimbursement of Expenses	

March 31, 2018 ₹ in Crs	March 31, 2017 ₹ in Crs
0.10	0.10
0.07	0.07
-	0.05
0.02	0.01
0.19	0.23

Note: 2
Assets taken under operating leases – office facilities , amenities and utilities are obtained on operating leases. During the year, the Company has incurred ₹ 0.53 crores (Previous year ₹0.59 crores) towards lease rentals which has been charged to statement of profit & loss. There is no sub-lease and the leases are cancellable in nature. There are no restrictions imposed under the lease arrangements. There is no contingent rent clause in the lease agreements.

26 Foreign Exchange / Derivatives (Gain) on transactions other than borrowings (net)

Foreign Exchange Loss / (Gain) (net)	
Change in Fair Valuation (Gain) of Derivatives not designated as hedge	

March 31, 2018 ₹ in Crs	March 31, 2017 ₹ in Crs
0.89	(6.33)
(11.23)	(47.31)
(10.34)	(53.64)

27 Income Tax

The major components of income tax expenses for the years ended March 31, 2018 and March 31, 2017 are as under
(a) Profit and Loss Section

Particulars

Current tax:

In respect of current year	(A)	1.40	39.53
Adjustment in respect of current income tax of previous years		(0.11)	-

Deferred Tax:

Tax Charge/(Credit) under Minimum Alternate Tax (refer note (e) below)

Income tax expenses reported in statement of profit and loss

		39.53	(39.53)
	(A+B)	40.82	-

(b) The income tax expense for the year can be reconciled to the accounting profit as follows:-

Profit before taxes from continuing operations

Income tax expense calculated at 34.608% (2016-17: 34.608%)	(1.53)	134.97
Effect of expenses that are not deductible in determining taxable profit	22.75	13.34
Recognition of credits for previous period tax losses	(21.34)	(148.31)
Income taxed at lower rates	1.41	39.53
Unused tax credit created/	-	(39.53)
Reversal of tax credits	39.53	-
Income tax expense recognised in profit or loss (relating to continuing operations)	40.82	-

March 31, 2018 ₹ in Crs	March 31, 2017 ₹ in Crs
(4.42)	389.96
(1.53)	134.97
22.75	13.34
(21.34)	(148.31)
1.41	39.53
-	(39.53)
39.53	-
40.82	-

The tax rate used for 2017-18 and 2016-17 reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

(c) Deferred Tax (net)

Particulars	Balance Sheet as at		Statement of Profit and Loss	
	March 31, 2018 ₹ in Crs	March 31, 2017 ₹ in Crs	March 31, 2018 ₹ in Crs	March 31, 2017 ₹ in Crs
(Liability) on Accelerated Depreciation for Tax Purpose	(395.50)	(363.28)	32.22	21.56
Asset on Unabsorbed Depreciation(to the extent of the Liability)	395.50	363.28	(32.22)	(21.56)
	-	-	-	-

The company has recognised the deferred tax asset on unabsorbed depreciation to the extent of corresponding deferred tax liabilities on difference between book balance and the written down value of Property plant and Equipment under income tax.

(d) Deferred Tax Assets reflected in the balance sheet as follows

Deferred Tax Liabilities (net)	
Less: Tax Charge/Credit Entitlement under MAT	
Net Deferred Tax Liabilities/(Assets)	

As at March 31, 2018 ₹ in Crs	As at March 31, 2017 ₹ in Crs
-	-
-	39.53
-	(39.53)

(e) The Company is eligible to avail benefits under section 80IA of the Income Tax Act , 1961 on the Taxable income w.e.f. FY 2016-17. Currently, the Company is liable to pay Minimum Alternative Tax (MAT) on income of the year and accordingly has made provision for tax under section 115JB. During the year, the Company has recognised Charge for Deferred Tax Liabilities (Net) is Nil (Previous year Nil) in respect of timing difference which will reverse after the tax holiday period considering that the company will also have unused tax credits under MAT which are not recognised in the books. Based on assessment, the Company has made provision of ₹ 1.40 crores (Previous year ₹ 39.53 crores) for current taxation based on its book profit for the financial year 2017-18.

Further as at March 31, 2018, the Company has carried forward unused business losses of ₹ 117.54 crore(Previous year ₹ 110.85 crores) and unabsorbed depreciation of ₹ 1,224.12 crores (Previous year ₹ 1,224.12 crores) pertains to earlier years on which deferred tax asset to the extent of liabilities have been recognised. Recognition of deferred tax assets on tax credits on MAT has been discontinued by the management w.e.f April 01, 2017 till utilisation of said unused tax losses. Accordingly, the Company has reversed Tax Credit under MAT of ₹ 39.53 crores recognised in previous year during the year.

(f) The Company has following unutilised MAT credit under the Income Tax Act, 1961 for which deferred tax assets has not been recognised in the balance sheet considering recoverability:

Financial Year	Amount (₹ in Crs)	Expiry Date
2016-17	39.53	2031-2032
2017-18	1.40	2032-2033
TOTAL	40.93	

(g) The Company has carried forward unabsorbed depreciation aggregating to ₹ 1,224.12 Cr (Previous year ₹ 1,224.12 Cr) and business losses ₹ 117.54 Cr (Previous year ₹ 110.85 Cr) under the Income Tax Act, 1961, further there is no expiry date for unabsorbed depreciation. whereas the expiry year for unused business losses of ₹ 110.85 Cr is FY 2020-21 and of ₹6.69 Cr is FY 2025-26 .Further, the company has recognised deferred tax assets to the tune of ₹ 395.50 Cr (Previous year ₹ 363.28 Cr) being to the extent of Deferred Tax liability arising from the difference between the carrying value as per books and tax. If company would have recognised deferred tax asset fully , the profit would increase by ₹ 73.33 Cr (Previous year ₹ 99.68 Cr)

28 Fair Value Measurement

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

₹ in Crs				
Particulars	Note Reference	Fair Value through Profit & Loss	Amortised Cost	Carrying Value
Financial Asset				
Trade receivables (including bills discounted)	6	-	260.36	260.36
Cash and Cash Equivalents	11	-	120.21	120.21
Other Bank balance	12	-	5.18	5.18
Loans	7	-	1.68	1.68
Derivatives not designated as hedges	8	15.41	-	15.41
Others financial assets	8	-	348.63	348.63
		15.41	736.06	751.47
Financial Liabilities				
Borrowings (Including bills discounted and current maturities)	15	-	4,345.68	4,345.68
Trade payables	18	-	67.24	67.24
Other financial liabilities	19	-	492.43	492.43
		-	4,905.35	4,905.35

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

₹ in Crs				
Particulars	Note Reference	Fair Value through Profit & Loss	Amortised Cost	Carrying Value
Financial Asset				
Investments in unquoted mutual funds	5	4.56	-	4.56
Trade receivables (Including bills discounted)	6	-	293.74	293.74
Cash and Cash Equivalents	11	-	319.55	319.55
Other Bank balance	12	-	2.41	2.41
Derivatives not designated as hedges	8	8.90	-	8.90
Others financial assets	8	-	169.69	169.69
		13.46	785.39	798.85
Financial Liabilities				
Borrowings (Including bills discounted and current maturities)	15	-	4,187.29	4,187.29
Trade payables	18	-	101.19	101.19
Derivatives not designated as hedges	19	0.05	-	0.05
Other financial liabilities	19	-	392.85	392.85
		0.05	4,681.33	4,681.38

29 Fair Value hierarchy :

Quantitative disclosures - Fair value measurement hierarchy for Financial assets and financial liabilities.

₹ in Crs		
Particulars	As at March 31, 2018	
	Significant Observable Inputs (Level 2)	Total
Assets		
Derivative instruments not designated as hedges	15.41	15.41
Total	15.41	15.41

₹ in Crs		
Particulars	As at March 31, 2017	
	Significant Observable Inputs (Level 2)	Total
Assets		
Investment (In unquoted mutual funds)	4.56	4.56
Derivative instruments not designated as hedges	8.90	8.90
Total	13.46	13.46
Liabilities		
Derivative instruments not designated as hedges	0.05	0.05
Total	0.05	0.05

30 Capital Management:

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

The capital structure of the company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The company monitors capital using gearing ratio, which is net debt (total debt less cash and bank balance) divided by total capital plus net debt.

Particular	March 31, 2018	March 31, 2017
	₹ in Crs	₹ in Crs
Total Borrowings (Refer note 15)	4345.68	4187.29
Less: Cash and Bank balance	125.39	321.96
Net debt (A)	4220.29	3865.33
Total Equity (B)	1081.34	1015.17
Net debt and total equity (C = A + B)	5301.63	4880.50
Gearing Ratio	79.60%	79.20%

31 Financial Risk objective and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's project cost / operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also enters into derivative transactions in the nature of foreign currency forward contracts.

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 and Liquidity Risk. The Company's senior management oversees the management of these risk. It manages its exposure to these risks through derivative financial instruments by hedging transactions after evaluation of risks. It uses derivative instruments such as foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favourable and unfavourable fluctuations.

The Company's risk management activities are subject to the management, direction and control of Central Treasury Team of APSEZL under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Company. 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.

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

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

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 of interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, Trade and Other payables including capital creditors and derivative financial instruments.

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 analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.

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

- 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 against some of the 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 paragraph 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 ₹ 3.06 Crs (Previous year ₹ 4.80 Crs). This is mainly attributable to interest rates on variable rate long term borrowings.

ii) Foreign currency risk

Exchange rate movements, particularly the United States Dollar (USD) and EURO (EUR) against Indian Rupee (INR), have an impact on the Company's operating results and financial position. The Company, to hedge foreign currency future revenue transactions in respect of which firm commitment are made or which are highly probable forecast transactions (for instance, foreign exchange denominated income), has entered into foreign currency forward contracts as per the policy of the Company.

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

a) Sensitivity

The sensitivity of profit or loss due to changes in the exchange rates arises mainly from non-derivative foreign currency denominated financial instruments (mainly financial instruments denominated in USD and EURO). The same is summarized as below:

Sr. No.	Particulars	₹ in Crs	
		Impact on profit before tax	
		March 31, 2018	March 31, 2017
1	USD Sensitivity		
	RUPEES / USD – Appreciation by 1%	1.71	1.67
	RUPEES / USD – Depreciation by 1%	(1.71)	(1.67)
2	EURO Sensitivity		
	RUPEES / EURO – Appreciation by 1%	0.01	0.01
	RUPEES / EURO – Depreciation by 1%	(0.01)	(0.01)

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, Security and Other Deposits given under the contract and other financial assets) and from its financing activities, including deposits with banks and investment, foreign exchange transactions and other financial instruments.

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

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

Credit risk from balances with banks is managed by the APSEZ'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 Board of Director. 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 operates the port services at Dhamra, the Company is significantly dependent on cargo from or to such large port user customer located at Eastern Region of India. Out of total revenue, the Company earns ₹ 405.38 Crs of revenue during the year ended March 31, 2018 (previous year ₹ 390.37 Crs) from such large port users which constitute 66% (previous year 63%). Accounts receivable from such customer approximated ₹ 100.49 Crs as at March 31, 2018 and ₹ 65.88 Crs as at March 31, 2017. A loss of these customer could adversely affect the operating result or cash flow of the Company.

The Dhamra Port Company Limited
Notes to Financials statements for the year ended March 31, 2018

Liquidity risk

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

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks and APSEZ to ensure that there is sufficient cash to meet all its normal operating and projects commitments in a timely and cost-effective manner.

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

i) Maturities of financial liabilities

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

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

Contractual maturities of financial liabilities as at March 31, 2018	Total Carrying Value	₹ in Crs			
		On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year
Borrowings (including bills discounting)(Refer note - 15)	1,888.68	328.82	351.16	1,208.70	-
Convertible Debentures (Refer note - 15)	2,457.00	-	-	2,457.00	-
Trade Payables (Refer note - 18)	67.24	67.24	-	-	-
Other Financial Liabilities (Refer note - 19)	492.43	492.43	-	-	-
Total	4,905.35	888.49	351.16	3,665.70	-

Contractual maturities of financial liabilities as at March 31, 2017	Total Carrying Value	₹ in Crs			
		On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year
Borrowings (Refer note - 15)	1,730.29	546.52	390.49	377.95	415.33
Convertible Debentures (Refer note - 15)	2,457.00	-	-	2,457.00	-
Trade Payables (Refer note - 18)	101.19	101.19	-	-	-
Other Financial Liabilities (Refer note - 19)	392.85	392.85	-	-	-
Derivative instruments not designated as hedges	0.05	0.05	-	-	-
Total	4,681.38	1,040.61	390.49	2,834.95	415.33

32 Earnings per share

	March 31, 2018	March 31, 2017
	₹ In Crs	₹ In Crs
(Loss)/Profit attributable to equity shareholders of the company	(45.24)	389.96
Weighted average number of equity shares	114.80	114.80
Nominal Value of Share	10.00	10.00
Basic and Diluted earning per share (in ₹)	(0.39)	3.40

Note : Since the number of shares to be issued on conversion of compulsory convertible debenture is to be ascertained based on fair value of shares at the time of conversion, the potential equity shares for the purpose of computing diluted EPS can not be ascertained.

33 Capital commitments & other commitment

Particulars	₹ in Crs	
	March 31, 2018	March 31, 2017
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	352.19	601.62

Other commitment

1. On May 25, 2016, the Company has entered into Agreement for Grant of Right to Use of Jetty, Back-up yard and related marine infrastructure for proposed LNG Terminal at Dhamra Port with Dhamra LNG Terminal Private Limited ("DLTPL"), w.e.f June 1, 2016 a fellow subsidiary. In pursuant to that, the Company has also entered Engineering, Procurement and Construction contract (EPC Contract) in previous year for construction and development of Jetty, Back up yard and other marine infrastructure with contract value of ₹ 761 crores. As at March 31, 2018 the Company has incurred expenditure of ₹ 53.94 crores (Previous year – NIL) towards construction of Jetty and related marine infrastructure and also given Interest bearing Deposits of ₹ 192.84 crores (Previous year Nil) under the contract. Based on broader understanding as per the agreement for grant of right to use between the company and DLTPL, the company expects to lease these infrastructure on right to use basis as per the terms of aforesaid agreement once the necessary regulatory approvals are received.

2. Contract/ Commitment for purchase of certain supplies. Interest bearing advance given ₹ 25 crores (previous year ₹ 25 crores).

3. The Company had imported certain plant and machinery for its Multipurpose Port Terminal Project under the EPCG Scheme at concessional rate of custom duty by undertaking obligation to export. Future outstanding export obligation under the scheme is ₹ 473.70 (previous year ₹ 632.27 crores) which is equivalent to 6-8 times of duty saved ₹ 77.16 crores (previous year ₹ 98.88 crore). The export obligation has to be completed by 2022-23.

34 Contingent liabilities not provided for

Sr.No	Particulars	₹ in Crs	
		March 31, 2018	March 31, 2017
(a)	Show cause notices received from Commissioner of Central Excise, Customs and Service Tax, Bhubaneswar for non-payment of Service Tax on under reverse charge mechanism on import of services pertaining to Dredging Services and Other Consultancy Services received in FY 2010-11 to 2012-13. The Company had filed reply against the SCNs which are not yet adjudicated. However, management is of the view that no liability shall arise on the Company.	3.83	2.62
(b)	Various show cause notices received from Commissioner/ Additional Commissioner of Customs and Central Excise and Commissioner of Service Tax, Bhubaneswar and appeals thereof, for wrongly availing of CENVAT credit/ Service tax credit and Education Cess credit on input services and steel, cement and other misc. inputs/ services during financial year 2005-06 to 2015-16. The matter is currently pending with Commissionerate of Central Excise, Customs & Service Tax, Bhubaneswar ₹ 0.42 crores (Previous year ₹ 2.93 crores), Commissioner of Central Excise and Service Tax (Appeals) ₹ 1.96 crores (Previous year Nil) and Customs, Excise and Service Tax Appellate Tribunal, Kolkata - ₹ 6.07 crores (Previous year ₹ 3.05 crores). The Company has taken an view taken from legal counsel in the matter based on which the management is of the view that no liability shall arise on the Company.	8.50	5.99
(b)	Interest claims not acknowledged as debts	-	1.50

Note:-

- 1) Future cash flows in respect of the above matters are determinable only on receipt of decisions pending at various forums/ authorities.
- 2) The Company has taken Cenvat Credit which has been denied by service tax authorities , the matter is subjudice at various levels of appeal proceedings.
- 3) The Other Matters pertains to demand of interest raised by a lender.

The Dhamra Port Company Limited
Notes to Financials statements for the year ended March 31, 2018

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

Particulars	₹ In Crs	
	March 31, 2018	March 31, 2017
A. Capital Work in Progress		
Opening Balance	1,143.42	663.05
Cost incurred during the year - on acquisition / procurement and development of port terminal infrastructure	660.65	978.26
Less: Capitalized during the year	(449.25)	(497.89)
Balance as at year end	1,354.82	1,143.42
B. Capital Inventory (including Goods in transit ₹257.28 crs (Previous year ₹ 260.87))	282.03	293.85
C. Costs attributable to Construction Period :		
(i) Personnel Expenses	0.76	0.29
(ii) Administrative and Other Expenses		
Legal and Professional Expenses	6.00	2.70
Electricity Expenses	0.99	1.65
Travelling and Conveyance	0.63	1.40
Vehicle Hiring Charges	0.01	0.02
Rent	0.07	-
Horticulture Expenses	1.39	0.02
Security Charges	0.05	0.02
Rates & Taxes	1.43	0.46
Other Expenses	0.43	1.22
Sub Total	11.00	7.49
(iii) Finance Cost	36.60	47.92
(iv) Depreciation	4.77	11.83
Total Expenditure	53.13	67.53
Brought Forward from Previous Year	16.80	2.56
Total	69.93	70.09
Capitalized / Allocated during the year	(69.93)	(53.29)
Balance Carried Forward Pending Allocation/Capitalization	-	16.80
D. Total Capital Work in Progress (Refer note - 4) (A + B + C)	1,636.85	1,454.07

Note :
(i) The above expenditure excludes operational expenditure related to project assets, such as fuel and stores & spares consumption, which has been directly allocated as project expenditure.
(ii) Project costs mainly includes costs incurred on development of Cargo Handling System, Back Up Yard, Transmission Line Work and LNG terminal.

36 Segment information

The Company is primarily engaged in one business segment, namely developing, operating and maintaining the Ports services, Ports related Infrastructure development activities at Dhamra, as determined by chief operational decision maker, in accordance with Ind-AS 108 "Operating Segment". Considering the inter relationship of various activities of the business, the chief operational decision maker monitors the operating results of its business segment on overall basis. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

37 Disclosures as required by Ind AS - 19 Employee Benefits

A) Defined Benefit plan

The company has a defined gratuity plan (funded) and is governed by Payment of Gratuity Act, 1972. Under the act every employe who has completed at least five years of service is entitled to gratuity benefits on departure at 15 days salary (last drawn salary), for each completed year of service. The scheme is funded with Life Insurance Company of India (LIC) in form of a qualifying Insurance policy with effect from September 1, 2010 for future payment of gratuity to the employees.

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

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

The status of Gratuity plans as required under Ind AS 19 :

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

Particulars	₹ In Crs	
	March 31, 2018	March 31, 2017
Present value of the defined benefit obligation at the beginning of the year	1.25	1.49
Current service cost	0.29	0.33
Interest cost	0.10	0.12
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	(0.03)	(0.34)
- experience variance	0.01	(0.01)
Benefits paid	(0.16)	(0.31)
Acquisition Adjustment	0.12	(0.03)
Present value of the defined benefit obligation at the end of the year	1.58	1.25

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

Particulars	₹ In Crs	
	March 31, 2018	March 31, 2017
Fair value of plan assets at the beginning of the year	1.31	1.24
Investment income	0.10	0.10
Contributions by employer	0.24	0.27
Benefits paid	(0.12)	(0.29)
Return on plan assets, excluding amount recognised in net interest expense	(0.00)	(0.01)
Fair value of plan assets at the end of the year	1.53	1.31

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

Contribution to	₹ In Crs	
	March 31, 2018	March 31, 2017
Present value of the defined benefit obligation at the end of the year	1.58	1.25
Fair value of plan assets at the end of the year	1.53	1.31
Net (liability)/asset recognised on balance sheet date (Refer note 16)	(0.05)	0.06

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

Particulars	March 31, 2018	March 31, 2017
Current service cost	0.29	0.33
Interest cost on benefit obligation	(0.00)	0.02
Total Expense included in employee benefits expense (Refer note - 23)	0.29	0.35

e) Recognised in the other comprehensive income for the year

Particulars	March 31, 2018	March 31, 2017
Actuarial (gain)/losses arising from		
- change in demographic assumptions	-	-
- change in financial assumptions	(0.04)	(0.34)
- experience variance	0.02	(0.02)
Return on plan assets, excluding amount recognised in net interest expense	0.00	0.01
Recognised in comprehensive income	(0.02)	(0.35)

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

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

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

g) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. 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. The results of sensitivity analysis is given below:

Particulars	March 31, 2018		March 31, 2017	
	Increase to	Decrease to	Increase to	Decrease to
	₹ In Crs	₹ In Crs	₹ In Crs	₹ In Crs
Discount rate (- / + 1%)	-10.70%	12.80%	-13.10%	15.80%
Impact on defined benefit obligations	(0.17)	0.20	-0.16	0.20
Salary Growth rate (- / + 1%)	12.70%	-10.90%	15.80%	-13.30%
Impact on defined benefit obligations	0.20	(0.17)	0.20	-0.17
Attrition rate (- / + 50%)	-0.50%	0.50%	-1.00%	1.10%
Impact on defined benefit obligations	(0.01)	0.01	-0.01	0.01
Mortality rate (- / + 10%)	0.00%	0.00%	0.00%	0.00%
Impact on defined benefit obligations	0.00	(0.00)	0.00	0.00

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

Particulars	March 31, 2018	March 31, 2017
Investments with insurer - (Refer note below)	100%	100%

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

i) Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity out goes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

j) Effect of Plan on Entity's Future Cash Flows

(i) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

(ii) Expected Contribution during the next annual reporting period

The Company's best estimate of Contribution during the next year is ₹ 0.34 Crs

(iii) Maturity profile of Defined Benefit Obligation

Particulars	₹ in Crs	
	March 31, 2018	March 31, 2017
Weighted average duration (based on discounted cash flows)	12 years	15 years

Expected cash flows over the next (valued on undiscounted basis):	₹ in Crs
	March 31, 2018
1 year	0.18
2 to 5 year	0.22
6 to 10 year	0.78
More than 10 years	3.74

B) Defined Contribution Plan

Employee 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. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Details of Defined Contribution Plan

	₹ in Crs	
	March 31, 2018	March 31, 2017
Provident Fund	0.89	0.93
	0.89	0.93

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

Sr No	Particulars	₹ in Crs	
		Year ended March 31, 2018	Year ended March 31, 2017
(a)	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	0.06	-
	Interest	Nil	Nil
(b)	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

39 Derivative instruments and unhedged foreign currency exposure

The company has taken various derivative instruments to hedge its USD denominated income.

Nature	Particulars of derivatives		Purpose
	March 31, 2018 ₹ in Crs	March 31, 2017 ₹ in Crs	
Forward Contract (Sell)	234.72 (equivalent to USD 33 million)	350.78 (equivalent to USD 51 million)	Hedging of expected future billing based on foreign currency denominated tariff of USD - 33 Million equivalent to ₹ 234.72 Crs (March 31, 2017 USD 51 Million equivalent to ₹350.78 Crs)

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

Nature	As at March 31, 2018		As at March 31, 2017	
	Amount ₹ in Crs	Foreign Currency (in millions)	Amount ₹ in Crs	Foreign Currency (in millions)
Foreign currency loan (USD)	-	-	324.25	50.00
Interest accrued but not due (USD)	0.67	0.10	0.28	0.04
Buyers' Credit (USD)	151.96	23.32	151.20	23.32
Capital/Other Liabilities (USD)	18.49	2.84	15.12	2.33
Capital/Other Liabilities (EUR)	0.60	0.07	-	-
Trade payables (GBP)	0.06	0.01	-	-
Trade payables (EUR)	-	-	0.54	0.08
Trade payables (USD)	-	-	0.02	0.00

Closing rates as at March 31, 2018:

INR / USD = ₹ 65.1750
INR / EURO = ₹ 80.8075
INR / GBP = ₹ 92.2775

Closing rates as at March 31, 2017:

INR / USD = ₹ 64.8500
INR / EURO = ₹ 69.2925
INR / GBP = ₹ 80.9025

40 Corporate Social Responsibility

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

- a) Gross amount required to be spent by the company during the year is ₹ 3.59 Crs
b) Amount spent during the year on :-

Sl. No.	Particulars	In Cash	Yet to be paid in Cash	₹ in Crs
				Total
(a)	Contribution made to Adani Foundation	3.60	-	3.60

(b) Amount paid during the year ended

Particulars	In Cash	Yet to be paid in Cash	Total
March 31, 2018			
i) Construction/ acquisition of any asset	-	-	-
ii) On Purpose other than (i) above	3.60	-	3.60
Total	3.60	-	3.60
March 31, 2017			
i) Construction/ acquisition of any asset	-	-	-
ii) On Purpose other than (i) above	0.34	-	0.34
Total	0.34	-	0.34

41 Related Party Transactions

Sl. No.	Name of the related party	Nature of relationship
(a)	Adani Port and SEZ Limited	Holding Company
(b)	Adani Logistics Limited	Fellow subsidiary
(c)	Adani Ennore Container Terminal Private Limited	Fellow subsidiary
(d)	Karnavati Aviation Private Limited	Fellow subsidiary
(e)	Adani Petronet (Dahej) Port Private Limited	Fellow subsidiary
(f)	Adani Hazira Port Private Limited	Fellow subsidiary
(g)	Adani Petroleum Terminal Private Limited (w.e.f April 26, 2016)	Fellow subsidiary
(h)	The Adani Harbour Services Private Limited (w.e.f December 07, 2016)	Fellow subsidiary
(i)	Adani Murmogao Port Terminal Private Limited	Fellow subsidiary
(j)	Adani Kandla Bulk Terminal Private Limited	Fellow subsidiary
(k)	Adani Vizag Coal Terminal Private Limited	Fellow subsidiary
(l)	Mundra Solar Pv Limited	Fellow subsidiary
(m)	Adani Vizhinjam Port Private Limited	Fellow subsidiary
(n)	Adani Bunkering Private Limited	Entities over which Key Managerial persons, Directors and their relatives are able to exercise significant influence
(o)	Adani Power Limited	Entities over which Key Managerial persons, Directors and their relatives are able to exercise significant influence
(p)	Adani Enterprises Limited	Entities over which Key Managerial persons, Directors and their relatives are able to exercise significant influence
(q)	Adani Foundation	Entities over which Key Managerial persons, Directors and their relatives are able to exercise significant influence
(r)	Key Managerial Persons :- Mr. Subrat Tripathy Mr. Karan Adani Mr. Jay H Shah Mr. Unmesh M. Abhyankar Dr. Chitra J. Bhatnagar Mr. Rakesh Shah Mr. Dibyanjan Mishra	Director and Chief Executive Officer Director Director Director Director Chief Financial Officer Company Secretary (till January 31, 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.

Note :

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

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

Sl. No.	Name of the Related Party	Nature of transaction	₹ in Crs	
			Transaction for Year Ended March 31, 2018	Transaction for Year Ended March 31, 2017
1	Adani Port and SEZ Limited	Loan Taken	1,884.22	793.18
		Loan Repaid	1,361.22	362.07
		Compulsory Convertible Debentures	-	2,457.00
		Availing of Services (Including reimbursement of Expenses)	7.33	41.12
		Interest expense	255.78	160.31
		Purchase of material and Assets	3.81	6.07
2	Adani Logistics Limited	Rendering of services	14.58	16.14
3	Adani Enterprise Limited	Rendering of services	96.85	93.32
		Availing of Services (Including reimbursement of Expenses)	1.83	3.22
		Demurrage Charges	7.70	-
4	Shanti Sagar International Dredging Pvt Limited	Availing of Services (Including reimbursement of Expenses)	52.73	-
5	Karnavati Aviation Private Limited	Availing of Services (Including reimbursement of Expenses)	1.71	2.98
6	Adani Bunkering Private Limited	Interest Income	2.94	2.94
7	Mundra Solar Pv Limited	Purchase of Project Stock	10.56	-
8	Adani Petronet (Dahej) Port Private Limited	Purchase of Project Stock	-	7.58
9	Adani Petroleum Terminal Private Limited	Sale of Investment	-	0.10
10	The Adani Harbour Services Private Limited	Availing of Service (Including reimbursement of Expenses)	0.32	9.27
		Purchase of material and Assets	1.44	-
		Other Income	0.20	-
		Revenue Share	14.61	-
11	Adani Vizag Coal Terminal Private Limited	Purchase of Project Stock	0.02	8.97
12	Adani Foundation	Donation	3.60	0.34
13	Adani Hazira Port Pvt Ltd	Availing of Service (Including reimbursement of Expenses)	0.09	-
14	Mr. Subrat Tripathy	Remuneration	2.52	1.92
15	Mr. Jay H Shah	Sitting Fees	0.01	0.02
16	Dr. Chitra J. Bhatnagar	Sitting Fees	0.01	0.01
17	Mr. Rakesh Shah	Remuneration	0.53	0.48
18	Mr. Dibyanjan Mishra	Remuneration (till January 31, 2018)	0.13	0.13

Sl. No.	Name of the Related Party	Nature of outstanding balance	₹ in Crs	
			As at March 31, 2018	As at March 31, 2017
1	Adani Port and SEZ Limited	Inter corporate deposits	1,483.71	960.71
		Compulsory Convertible Debenture	2,457.00	2,457.00
		Accounts payables	4.46	15.96
		Other current financial liability	172.09	144.28
2	Adani Logistics Limited	Accounts receivables	6.87	2.94
		Accounts payables	-	0.15
3	Adani Power Limited	Accounts receivables	-	4.19
4	Adani Enterprise Limited	Accounts payables	0.76	1.79
		Accounts receivables	23.46	35.60
5	Karnavati Aviation Private Limited	Accounts payables	-	1.20
6	Adani Bunkering Private Limited	Advances	25.00	25.00
		Other Non-current financial asset	5.80	3.15
7	Adani Petronet (Dahej) Port Private Limited	Accounts payables	0.01	0.10
8	Adani Hazira Port Private Limited	Accounts payables	0.05	0.01
9	Adani Vizhinjam Port Private Limited	Accounts payables	0.23	0.00
10	The Adani Harbour Services Private Limited	Accounts payables	-	30.41
		Accounts receivables	0.02	-
		*Other receivables Closing Balance	1.55	-
11	Adani Murmugao Port Terminal Private Limited	Other financial and non financial assets	0.05	0.05
12	Adani Vizag Coal Terminal Private Limited	Accounts payables	0.01	8.97
13	Adani Infra (India) Limited	Accounts payables	-	0.01
14	Mundra Solar Pv Limited	Accounts payables	5.28	-
15	Adani Ennore Container Terminal Private Limited	Accounts payables	0.00	0.04
16	Shanti Sagar International Dredging Pvt Limited	Accounts payables	15.37	-

- Note - :
- The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised as bad or doubtful debts in respect of the amounts owed by related parties.
 - The company has availed non fund based buyers credit/letter of credit facilities sanctioned to the holding company. The aggregate of such transaction amount ₹151.59 crores (previous year ₹151.20 crores).
 - The company has utilised non fund based bank guarantee facilities sanctioned to the holding company. The aggregate of such transaction amount ₹181.32 crores (previous year ₹195.75 crores).
 - The holding Company has also given Sponsors undertaking and pledged 30% equity shares of the company held by APSEZ

42 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:

a. Ind AS 115-Revenue from Contracts with Customers:

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

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

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

b. Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale. These amendments are not expected to have any impact on the Company.

c. Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses:

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. The management of the company is still evaluating possible impact on account of aforesaid amendment.

d. Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. The Company will apply amendments when they become effective. However, since Company's current practice is in line with the clarifications issued, the Company does not expect any effect on its financial statements.

e. Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

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

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

The amendments should be applied retrospectively and are effective from 1 April 2018. These amendments are not applicable to the Company.

f. Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

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

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

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. The management of the company is still evaluating possible impact on account of aforesaid amendment. However, the company does not expect any material impact on its financial statements.

43 Events occurring after the Balance sheet Date

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

44 Approval of financial statements

The financial statements were approved for issue by the board of directors on **April 30, 2018**.

As per our report of even date

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

For and on behalf of Board of Directors of
The Dhamra Port Company Limited

per Santosh Aggarwal
Partner
Membership No.93669

Subrat Tripathy
Director & Chief Executive Officer
DIN: 06890393

Unmesh Abhyankar
Director
DIN: 03040812

Rakesh Shah
Chief Financial Officer

Place: Ahmedabad
Date: April 30, 2018

Place: Ahmedabad
Date: April 30, 2018