adani™

THINKING BIG DOING BETTER

Adani Ports and Special Economic Zone Limited

Annual Report 2016-17

Adani Ports and Special Economic Zone Limited is India's largest and fastest growing private sector port developer and operator with a pan-India logistics reach.

Our entrepreneurial spirit, execution capabilities and sustainable business have once again given us the opportunity to deliver superior value to our stakeholders.

Along with our expertise in providing end-to-end logistics solutions, operational excellence, low cost operations and synergies through our acquisitions, we are backed by a young and dynamic workforce that propels us to greater heights.

Contents

Engineered for the future

APSEZ in 2016-17 – A snapshot

169 MMT
Cargo handled
11% growth over 2015-16

9,479
Consolidated Total Income (₹ crore)
21% growth over 2015-16

5,692
EBIDTA (₹ crore)
24% growth over 2015-16

3,920
Consolidated net profit (₹ crore)
35% growth over 2015-16

18.89
Earnings per share (₹)
35% growth over 2015-16

18.59
Return on assets (%)
18% growth over 2015-16

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Scale: APSEZ is India's largest ports developer and operator, with a portfolio of ten ports, logistics network and an SEZ.

Speed: APSEZ is one of the fastest growing port infrastructure companies in the world, taking the India growth story global

Quality: APSEZ specializes in providing quality end-to-end logistics solutions backed by its ever-increasing capacity, widening global footprint, quick commissioning tenures and low cost operations.

Group overview

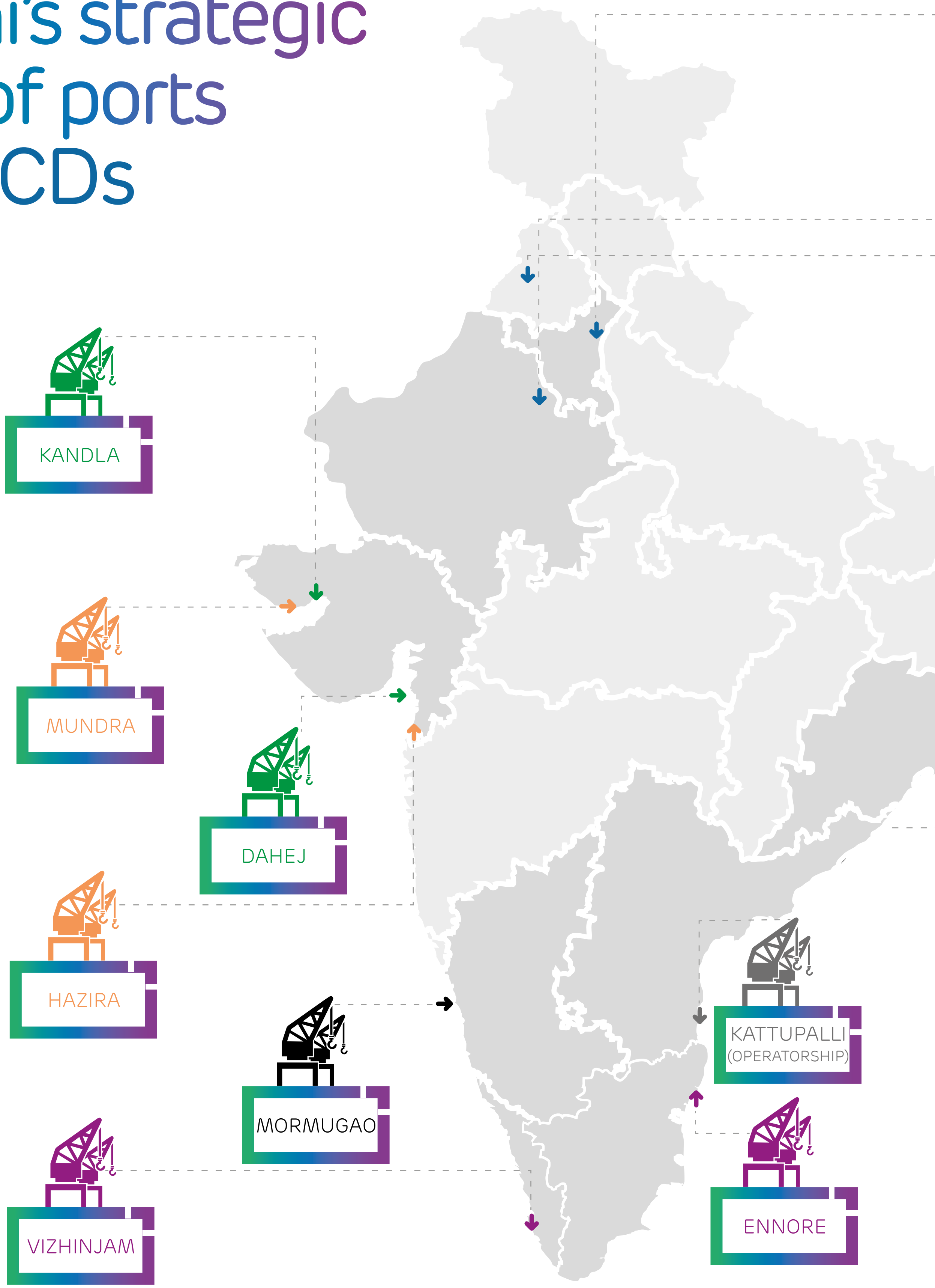
Adani Ports and Special Economic Zone Limited (APSEZ) is promoted by the Adani Group, one of India's largest business conglomerates.

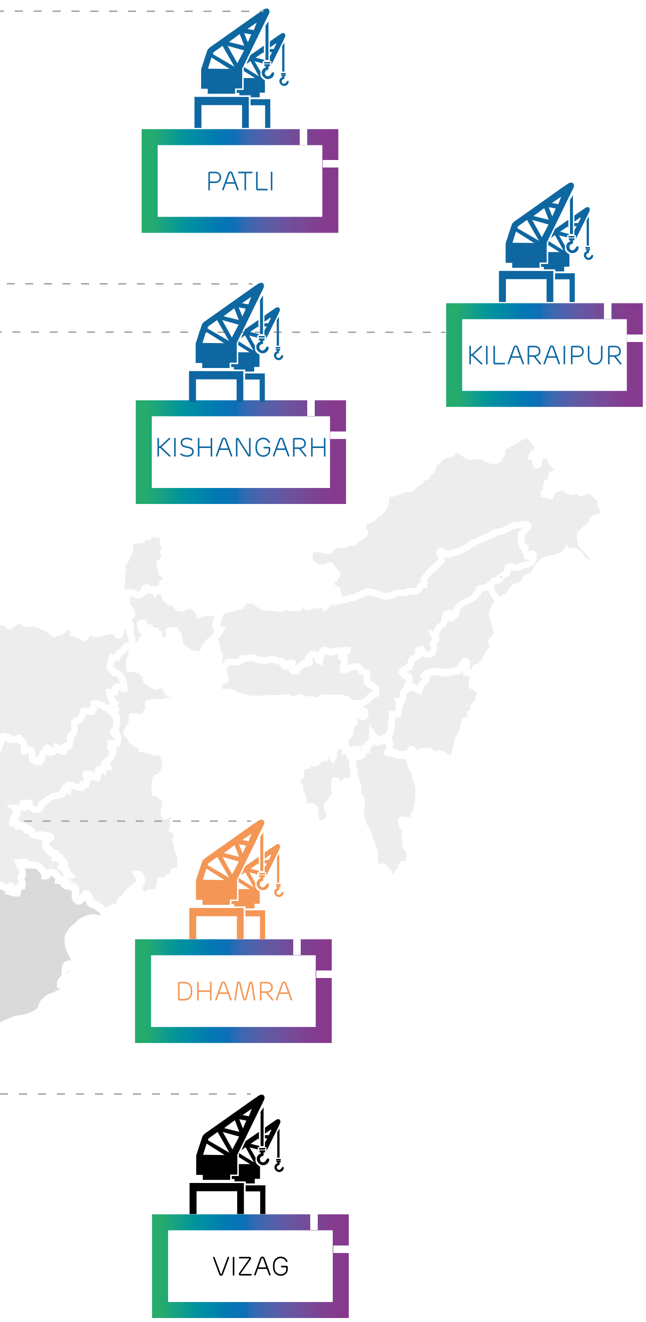
The USD 12 bn Group has interests across resources (coal mining and trading), logistics (ports, logistics, shipping and rail), energy (renewable, thermal power generation and transmission), agro commodities and ancillary industries.

Company overview

Ours is the leading ports business in India. We are the largest commercial port operator and integrated logistic player in the country. Our presence across ten domestic ports forms a strategic 'string of pearls' around the Indian coastline. We have been rated Investment Grade by Moody's, S&P and Fitch.

Adani's strategic ring of ports and ICDs





Adani Ports: Pioneer on multiple fronts

- Number one commercial port company of India
- Owns and operates one of the longest private railway lines of India for seamless cargo evacuation
- Only port company with a captive dredging model comprising the largest number of dredgers (17)
- Largest port-based Special Economic Zone in India
- Only Indian port company to be included in C40 ports for responsible carbon emission & environment conservation

Multipurpose Terminals
Bulk Terminals
Coal Terminals
Container Terminals
Kattupalli (Operatorship)
Inland Container Depot (ICD)

Vision

To be the globally admired leader in integrated infrastructure businesses with a deep commitment to nation building. We shall be known for our scale of ambition, speed of execution and quality of operation.

Values

Courage

- We shall embrace new ideas and businesses
- Take calculated risks in pursuing new and big business opportunities
- Dare to achieve
- Own up to our decisions

Trust

- We shall believe in our employees and other stakeholders
- Show faith in the capability of our employees
- Empower our employees to go beyond the call of duty to deliver results
- Encourage employees to turn disappointments into learning opportunities
- Listen to and include the perspectives of our vendors, investors and other stakeholders

Commitment

- We shall stand by our promises and adhere to high standards of business
- Be Reliable – 'Do what you say' and 'Say what you will do'
- Consistently deliver on business goals and targets
- Consistently demonstrate high standards of professionalism

Culture

Passion: Performing with enthusiasm and energy

Results: Consistently achieving goals

Integration: Working across functions and businesses to create synergies

Dedication: Working with commitment in the pursuit of our aims

Entrepreneurship: Seizing new opportunities with initiative and ownership

10
Number of ports, 2016-17

335
Capacity, 2016-17 (MMTPA)

>90%
India's hinterland access

42
Berths

16
Terminals

2
Single-point mooring facilities

3
Inland container depots

1
SEZ

8481
Notified SEZ Land (Ha)

61%
Promoter's holding (March 31, 2017)

34%
Institutional holding (March 31, 2017)

5%
Public holding (March 31, 2017)

Dear shareholders

"Infinite patience, infinite purity, and infinite perseverance are the secret of success in a good cause."

said the great ascetic **Swami Vivekananda.**

At a time when the world is looking at India with a greater hope than at any time in the past, the philosophy of the great visionary becomes our guiding light.

The world sees in India opportunities for partnership at a time when our economy appears decoupled from global uncertainties; the world is also seeing India as a catalyst that will have a definite role in lifting the global economy out of a multi-year slump.

The great Indian story represents a beacon of hope. The accelerated pace of economic reforms in India is possibly the fastest across the world. The size, speed and implications of the structural shifts could not have been contemplated even as recently as a few years ago. With reference to the giant strides made, India has demonstrated creditable resilience in the most challenging of times for the global economy in recent history. India, in fact, is the finest asset class across the globe today. This resilience has meant that India reported GDP growth of 7.1 per cent during the last financial year, an honourable headline concurring with one of the most dramatic macroeconomic shifts: an attempt to formalise a largely unorganised economy into an organised one following currency demonetisation.

In the era of open economies, robust ports have a critical role in driving economic growth. The ports sector facilitates India's interaction with the world; it provides a gateway of products into and out of the country. At Adani Ports, we believe that India's ports need to play a bigger role than just providing physical infrastructure; they need to help moderate logistic costs from 6-10% of the average retail price to the global benchmark of around 4-5%, enhancing the country's global competitiveness.

At Adani Ports, the business may be ports but the story is quintessentially India. Adani Ports was conceived around a singular idea: a solutions-driven organization rather than merely of passive infrastructure. This differentiation has had across-the-business implications: Adani Ports is not engaged in business with the singular objective to capture market share; the company is driven by the prospect of expanding the market. Adani Ports is not a single-location infrastructure firm; the company is a multi-location complement of ten ports driven by the vision of shifting the world's gravity towards India. Adani Ports has not merely invested in cranes, concrete and land; the company has invested in a platform that provides global and Indian companies an opportunity to profitably grow their businesses. Adani Ports does more than what a normal port would engage in; the company has progressively diversified from ports to allied services (logistics, SEZ and strategic partnership opportunities); from one port to ten ports across India's east, west and south coast; from largely a coal importer to one engaged in handling (import and export) of multi-commodity (containers, liquid and dry bulk cargos).

I proudly observe that Adani Ports has translated this vision into an operational engine that makes it one of the fastest port companies in the world and possibly the most profitable port company in India. The company reported 19 per cent growth in revenues in 2016-17 corresponded by a 35 per cent increase in profit after tax.

Adani Ports is one of the most attractive proxies of India's ports sector. With its diversity across locations, commodities handled and services offered, Adani Ports represents the Great Indian Opportunity: a resilient economy with consumption aspirations and competitiveness.

At Adani Ports, we believe that community welfare and environment responsibility go hand in hand with corporate growth. This commitment is reflected in a consistent spending of a proportion of our post-tax profit in CSR activities higher than the stipulated 2 per cent of bottomline spending. As a matter of fact, we began doing this more than a decade ahead of it becoming mandatory. Today, while we are proud of what we have achieved within our core business, we draw a deeper satisfaction from the ways in we have transformed destinies across 1 lac students, 6 lac healthcare beneficiaries, and more than 11 lac people across 1,470 villages through better physical and social infrastructure.

At Adani Ports, the outlook appears attractive and I would like to thank our customers, employees, shareholders, bankers, governments and the Board for their continued support.

Gautam Adani
Chairman

I extend a warm welcome to our customers, employees, partners, shareholders and communities.

At APSEZ, we believe in Thinking Big, Doing Better – a motto that has governed our commitment towards our customers, employees, partners, shareholders and the larger community.

We are India's largest and fastest growing commercial private sector port company and pan–India integrated logistic service provider, enabling first and last mile connectivity to customers. We operate across infrastructure verticals, with a proven track record and execution capabilities as well as extensive management experience in regulated environments. We are proud to take the industry forward with the help of our strengths in operational excellence, low cost operations and seamless acquisitions that enable us to maintain leadership.

Our ten strategically located ports form a network that successfully connects India's vast hinterland to global trade. Today, I am proud to say that in line with our vision of nation building, APSEZ handles around 15% of all of India's export-import cargo.

Our confidence in sustaining this record is backed by the value we deliver to our stakeholders. Our proactive investments in locations, infrastructure, services, technologies and competencies have strengthened the businesses of our customers, making Adani Ports one of the best-run port and logistic companies in the world.

Performance in 2016-17

Adani Ports reported yet another year of profitable growth in FY17. The company's revenue increased 19% to ₹8,439 crore (FY16: ₹7,109 crore) and EBIDTA rose 24% to ₹5,692 crore (FY16: ₹4,574 crore). While we had estimated a conservative 10-15% increase in profit after tax, our FY17 net income grew by a phenomenal 35% to ₹3,920 crore (FY16: ₹2,914 crore). Once again in FY17, our overall cargo throughput and container handling capacity improved and outperformed those of our peers in India. While all-India cargo grew by 8%, cargo handled by all Adani ports rose 11% to 169 MMT.

These strong financials stem from our robust operations and our unending commitment to improve efficiencies, to scale our use of technology and lower our finance costs. The company's proactive approach to mechanization, automation and cutting-edge technology such as mobile technology, Internet of Things and Robotics, has changed the way we manage and move cargo. The resulting operational efficiency led to reduced operating costs and thus enhanced EBITDA margins. Further, net finance cost dropped from ₹460 crore to ₹323 crore and net debt reduced by ₹1,827 crore despite the ₹1,450 crore payout towards Kattupalli port, which we acquired last year from L&T Shipbuilding. Our net debt as on 31st March 2017 stood at ₹18,600 crore. With these factors combined, we exceeded our expectations to deliver higher profitability.

In line with our goal to reduce dependence on individual commodities and to offset the decline in coal imports following the government's revised policy, we ramped our efforts to diversify our cargo mix and increase container volumes. For the first time, APSEZ handled more than 4 million Twenty-Foot Equivalent Units (TEUs) of containers, growing our container volumes by 27% YoY against the 10% growth achieved by ports all-India, thus expanding our market share from 27% to 31%. This was made possible by the commissioning of CT-4 at Mundra, higher container volumes at Kattupalli and Hazira, and the addition of services at Mundra, Hazira and Kattupalli, which resulted from our strategic partnerships with MSC, CMA CGM, and Maersk. We also began providing coastal transhipment services from Dhamra port to the southern ports. Further, we moved from short-term contracts to long-term multi-year coal supply arrangements for a large number of customers. In FY17, 62% of our cargo volumes materialized from long-term contracts.

As a result of these strategies, we saw a growth in agriculture, iron, steel, and project cargo volumes, which contributed to a healthy cargo mix and higher margins. FY17 saw containers constitute 37% of our total cargo, compared to 32% in FY16. Coal now comprises 36% of our cargo, compared to 41% last year. Crude and other cargo, which grew by 17%, now constitute 27% of the total cargo.

We also took strides to provide end-to-end logistics solutions to domestic and multinational customers through our tailor-made service offerings. In the logistics space, Adani Logistics Ltd (ALL) continues to be the single largest private rail operator in the country, operating 24 rakes. Our container rail operations span across all the ports in India. In FY17, our total rail volumes grew 57% to 180,000 TEUs. ALL handled 300,000 TEUs of terminal volumes, which grew 26% YoY. We also began commercial operations at our Inland Container Depot (ICD) at Kilaraipur in Punjab in addition to our existing ICDs in Patli and Kishangarh, thereby offering a greater scope of warehousing solutions to our customers.

Our SEZ at Mundra has seen a rise in enquiries from diverse sectors such as ancillary manufacturing units of packaging, silver, battery inverter and solar panel industries. We expect these businesses to materialize in FY18. Owing to excellent integrated rail, road and airport connectivity, and the Government's thrust on coastal shipping, we have been able to service large clients such as Britannia Ltd., Credo Minerals, and Oilfield

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Warehousing Services (OWS) among others, in this past year. This, in turn, will increase the export-import cargo of Mundra Port in the years to come.

Adani Ports retains its position as the only Indian infrastructure company to be assigned an international investment grade rating by the three major international ratings agencies: BBB- by Standard & Poor's, BAA3 by Moody's and BBB- by Fitch Ratings. However, in FY17, we addressed the risks perceived by S&P and Moody's on related-party loans, advances and deposits. We have now completely recovered our exposure of ₹3,500 crore to related parties.

Other achievements in 2016-17

At APSEZ, we pride ourselves on being able to integrate our acquisitions seamlessly, scaling new heights as a consolidated business. Although our acquisition of the Kattupalli port from L&T Shipbuilding awaits completion, we have already achieved nearly 500% growth in our brief period as the official operator of the port. Volumes at the port rose from 7900 TEUs per month in November 2015 to over 35,000 TEUs per month in FY17.

On the international front, we acquired 100% of shares in Abbot Point Operations Pty Ltd (APO) from Glencore Coal Queensland Pty Ltd. on a cost plus 10% margin model. APO currently has one operating terminal, Adani Abbot Point Terminal, which functions under a take-or-pay contract for 50 MMTPA of cargo.

In December 2016, we acquired TM Harbour Services Private Limited (TMHSPL) along with three tugs from the Tata Group, and subsequently renamed the new entity The Adani Harbour Services Private Limited (TAHSPL). To increase asset utilization and rationalize costs, we decided to demerge our tugging businesses across all our locations and merge them under TAHSPL. As TAHSPL is already governed by tonnage tax, this will translate to additional tax benefits as well.

In January 2017, APSEZ raised US$ 500 million through its second dollar-denominated bond issue, receiving an overwhelming response from international investors at a competitive price. The proceeds were channelled to repay our existing foreign currency-denominated external commercial borrowings and to fund capital expenditure projects.

In recognition of our unwavering commitment to drive the nation forward, we were conferred the title of 'Private Port of the Year 2016' at the Maritime and Logistics Awards.

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Thinking Big, Doing Better Sustainably

At Adani Ports, we have always firmly believed that it is our commitment to the environment and the local communities that will truly shape our future and enable us to continue delivering superior value to our customers and shareholders. Therefore, our single-minded focus has been to ensure that our actions reflect our social and environmental responsibilities.

In FY17 too, our commitment to sustainability remained unshaken. This year, our endeavour were aligned for the first time with the United Nations Sustainable Development Goal, became a member of the UN Global Compact in the year 2016 and is actively addressing environmental protection, responsible labour practices, human rights and prevention of corruption. We also conducted a clean house gas study to reduce carbon footprint at Mundra and Hazira, and initiated a stakeholder engagement study. To reduce our energy costs and carbon footprint, we commissioned a 1.5 MW rooftop solar plant in Mundra and developed a 6 MW windmill project in Rajmol district in Gujarat, which will serve our Dahej, Hazira and Tuna facilities. We have planned to ramp our use of renewable energy to 12-13 MW by the next year.

Through our CSR partner, the Adani Foundation, we continue to focus on improving education, community health, livelihood and rural infrastructure. We established the Adani DAV Public School in Dhamra, spanning 5 acres of campus and featuring 16 modern classrooms, 2 libraries, Science and Computer labs, an audio-visual room and numerous extra-curricular facilities. In a bid to boost community health, we funded mobile healthcare units, cashless healthcare services for the aged, specialized nutritional care for women and children, and rural clinics for the public, among others. We also helped set up the Adani Skill Development Centre in Mundra, which is empowering the most marginalised rural communities with the help of technical training and soft skills.

Our numerous initiatives will be covered extensively in our second Sustainability Report, which follows our report of 2015-16 that we released last year, becoming the first Indian company in the Ports sector to do so. We also received the 'Golden Peacock Award' for CSR activity, presented by the Institute of Directors, New Delhi, in 2016. These milestones have further strengthened our commitment to give back to the community and safeguard the environment.

Looking ahead

APSEZ has evolved from an infrastructure entity to an end-to-end logistics solutions provider strengthening the businesses of our customers. Our competitive advantage stems from deep draughts across most of our ports, declining berthing turnaround time, robust commodity handling capabilities benchmarked against global standards, multi-modal cargo evacuation capabilities and a demonstrated commitment to enhance customer competitiveness.

With these strengths, we will continue to diversify our cargo mix, thereby further reducing our dependence on coal volumes. We expect to achieve this by handling more high-value cargo as well as more containers and agro products at Dhamra, while adding capacity at this port. Simultaneously, we envision transforming Kattupalli into a multi-commodity port. The extension of CT-3 at Mundra will also be completed in FY18.

> Our overall container volumes are expected to grow by 20% and cargo volumes, between 12% and 14% in FY18. We estimate a rise in EBITDA margins from 69% to 70% through enhanced use of technology, diversified cargo mix and higher capacity utilization.

We will be developing India's first international deep water seaport at Vizhinjam (Kerala) in partnership with the state government. Vizhinjam will help position India as a competitive global transhipment hub and stake a claim on the 2 million+ TEUs of Indian cargo transhipped annually through the Indian ocean.

Enhancing our logistics footprint across India, we will also be commencing construction of three new ICDs in the country, enhancing our total number of ICDs to 6.

The LNG terminal at Mundra is likely to become operational in December 2017, attracting gas-based units to set up at Mundra SEZ. This, along with our cluster development approach at Mundra SEZ, is expected to give fillip to industrial development in the area.

As a result of the above strategies, our overall container volumes are expected to grow by 20% and cargo volumes between 12% and 14% in FY18. We estimate a rise in EBITDA margins from 69% to 70% through the enhanced use of technology, diversified cargo mix and higher capacity utilization. We will continue to actively reduce our interest cost by raising funds from global bond markets. These measures will position us to register profit growth of 18%-20% in FY18.

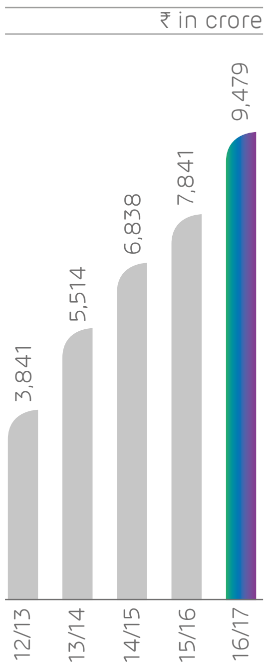
We remain committed to expanding carbon footprint studies to our other ports in FY18, which will be covered in our next Sustainability Report. Our CSR activities and our focus on renewable energy will also continue to demonstrate our commitment towards sustainability, environment and our stakeholders.

At Adani Ports, we stand firm in our belief that a bright future awaits us as we work tirelessly to add value to the nation.

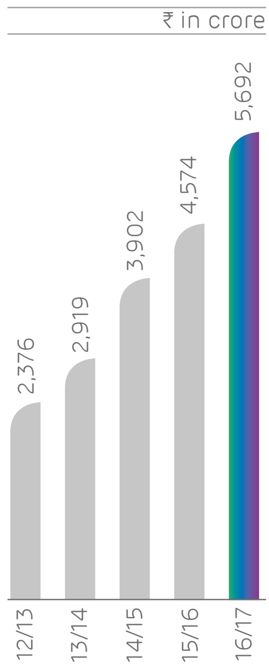
Karan Adani
Chief Executive Officer,
Adani Ports and Special Economic Zone Limited

Financial performance as on 31.03.2017

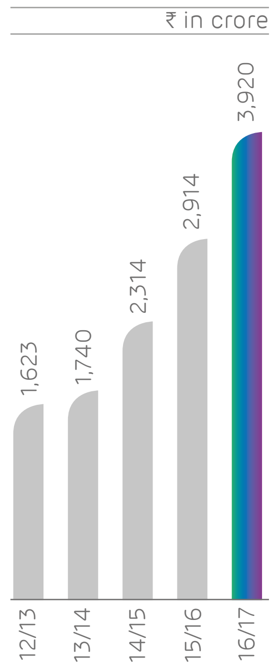
APSEZ delivered another strong financial and operational performance. We will continue to look at improving our margins and operational efficiency through a combination of enhanced technology use, optimised cargo mix and reduced net finance costs.



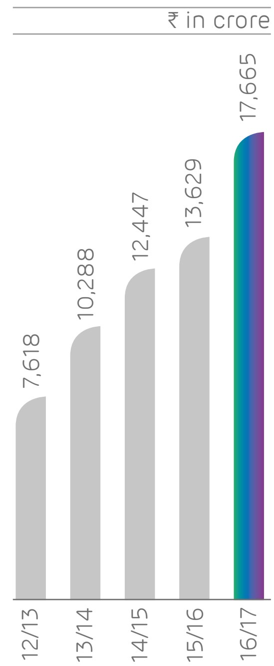
Total Income



EBIDTA

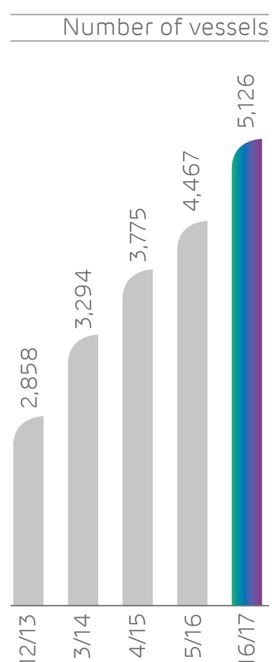


Profit after tax

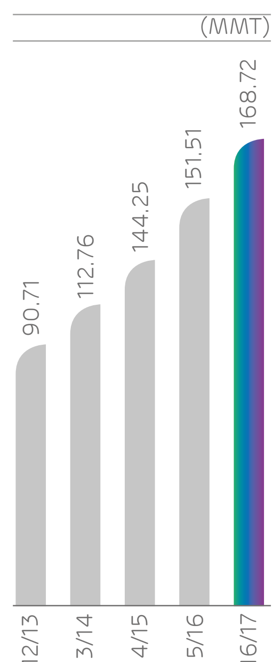


Net worth

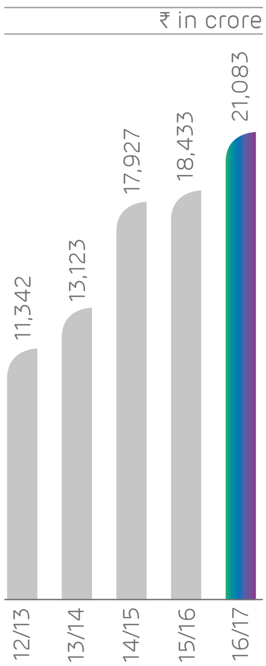
Operational performance



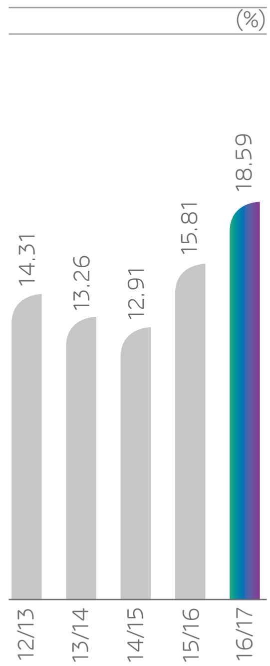
Vessels serviced



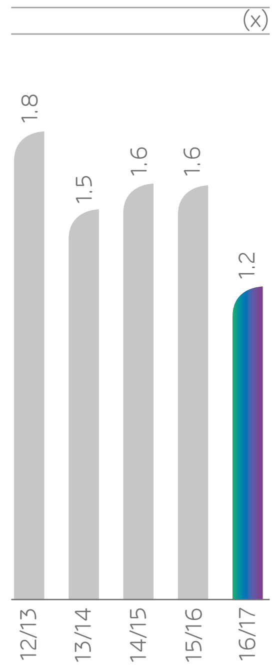
Volumes handled



Net fixed assets



Return on assets



Debt-equity ratio

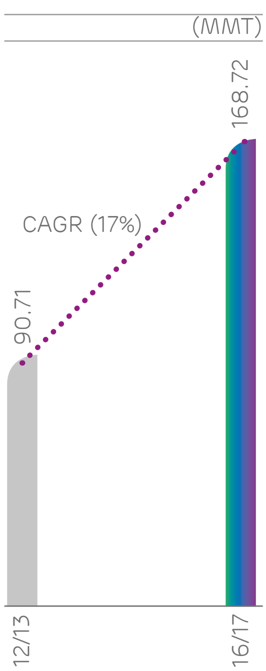
21%
Revenue growth over 2015-16

24%
EBIDTA growth over 2015-16

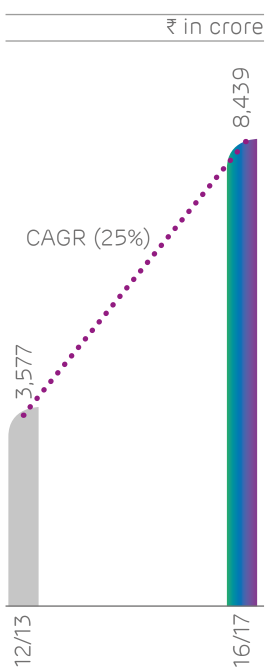
35%
Profit after tax growth over 2015-16

30%
Net worth growth over 2015-16

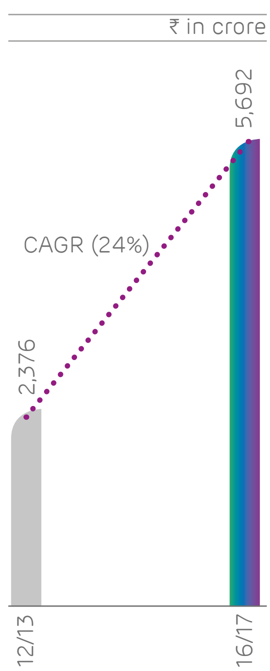
Note: During the Financial Year 2012-13, the Company has divested its stake in Abbot Point Coal Terminal.



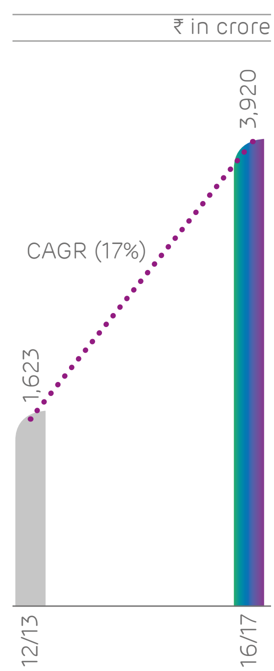
Cargo handled



Revenue



EBIDTA



Net profit

The Adani approach to corporate responsibility

Overview

APSEZ's, corporate social responsibility (CSR) activities are central to its goal of nation-building. The company's CSR activities are conducted through Adani Foundation, encouraging specialization, knowledge accretion and best practices. The activities of the foundation are also in line with Sustainable Development Goals and Millennium Development Goals of United Nations, extending beyond territorial boundaries, and directed towards the advancement of humankind.

The Adani Foundation relentlessly works in empowering communities, enhancing life quality and inspiring the hope of a better future. The Foundation perceives its role as an 'enabler' and 'facilitator', bridging the gaps between existing opportunities and potential beneficiaries, while investing in new facilities and infrastructure. This approach will optimise community and individual growth in a sustainable manner.

Adani's activities cover four core areas, covering virtually all aspects in community transformation:

- Education
- Community Health
- Sustainable Livelihood
- Rural Infrastructure Development

Currently operational in 12 States, Adani Foundation touches the lives of 4,00,000-plus families in 1,470 Indian villages and towns. The foundation's footprint covers a range of operational locations like Mundra, Ahmedabad, Dhamra, Dahej, Hazira, Tiroda, Udupi, Surguja, Kawai, Vizhinjam, Shimla, Godda and Chhindwara. Adani's human-centric initiatives prioritise sustainability, effectiveness and transparency.

Focus areas

Education

Adani Foundation observes a three-pronged approach towards education:

- **Adani Vidya Mandir, directed towards meritorious children of economically challenged backgrounds.**
- **Subsidised schools, providing quality education at marginal costs.**
- **Government-aided schools, extending support to enhancing infrastructure and learning.**

Adani Vidya Mandir

Adani Vidya Mandir is operational in Ahmedabad, Bhadreshwar (Gujarat) and Surguja (Chhattisgarh). The first Adani Vidya Mandir was commissioned in 2008 in Ahmedabad, with the objective of providing economically deprived children with free quality education. The students are provided with free transportation, uniform, textbooks, notebooks and meals. A number of community-based programs and activities are organized, which, coupled with a value-based curriculum, help students acquire academic capabilities while remaining rooted to their family structures and community values. The present strength of Adani Vidya Mandir, Ahmedabad, is 1,800 students.

The direct impact of AVM initiative is on parents, siblings and students. The indirect impact is on the neighbours and their children. Parents feel proud because their children are studying in one of the best schools, getting quality education and with ample career growth opportunities. The behavioural skills of most of the children are substantially improved and there is a gradual improvement in subjects like math and science. Children of neighbours are inspired by AVM students and want to be like them in terms of personality, behaviour and spoken English. A long-term impact is seen in students who have graduated from AVM.

In the last academic year, the Adani Vidya Mandir in Bhadreshwar, comprised 394 students, out of which 134 students belonged to the fishing communities. Since most of the students were first-generations school-goers, there was a need to sensitize parents on the importance of education and ensure community participation. Besides curricular, co-curricular and extra-curricular activities, the school provided additional coaching for the students taking the Board examinations.

The Foundation commissioned Adani Vidya Mandir at Surguja (Chhattisgarh) in 2013 to address the educational needs of children of project site workers. The school was commissioned around the AVM model, providing free quality education to the region's under-privileged children. Some 461 students were enrolled in the school in 2016-17.

Subsidized schools

Adani Foundation provides subsidised quality education to around 3,000 students through Adani Public School in Mundra (Gujarat), Adani Vidyalaya in Tiroda (Maharashtra) and Kawai

(Rajasthan), Navchetan Vidyalaya in Junagam (Gujarat) and Adani DAV Public School in Dhamra (Odisha).

Adani Public School in Mundra provides English-based education, affiliated to the CBSE board. The school was awarded the prestigious International School Award by British Council. The Foundation also set up a subsidised school in the Dhamra port hinterland (Odisha). Adani DAV Public School, Dhamra, caters to 290 students out of which 80% students are from local villages.

Government-aided schools

Adani Foundation supports 543 government schools in the company's region of operation.

Under the 'Joyful Learning' initiative, more than 2,500 children across 111 government primary schools in villages in and around Mundra were provided with 'Enrolment Kits'. To enhance learning, 'Educational kits' were provided to 6,200 students of 67 government schools in Udupi.

Adani Foundation adopted 47 government schools in Kawai with the objective to enhance quality education through interactive activities. Essay competitions, slogan and quiz competitions, coaching classes for Jawahar Navodiya and 5S training for teachers and students were organised. Infrastructure development, including the construction of playgrounds and toilets, was also carried out.

'Pragna' is an activity-based learning program initiated in government schools to enhance student retention and holistic learning. Extending support to Pragna, the Foundation provided 27 schools across Dahej and Hazira, Gujarat, with material assistance. 52 government nurseries across 15 villages in Hazira were impacted. 44 e-learning kits were distributed in government schools at Tiroda, Maharashtra.

Disha, a career guidance programme was initiated in order to support meritorious students of standards 10 and 12 to pursue higher studies through scholarship, coaching for entrance exam and career guidance workshops.

Project Udaan

Udaan is a learning-based initiative focusing on creating exposure for the youth of educational institutes across Gujarat. Under this project, a two-day exposure tour is organized, wherein students are given the opportunity to visit the Adani Port, Adani Power and Adani Wilmar facilities. The aim of the project is to aid students in gaining valuable insights into the working of large businesses, which could inspire them to dream big and explore diverse career opportunities including entrepreneurship. The project was inspired by Mr. Gautam Adani, Chairman of the Adani Group, whose visits to Kandla port as a child inspired him to build a world-class port. The project impacted more than 1,91,000 students from 2,392 schools and colleges. In 2016-17, 44,240 students from 470 institutions visited the Adani establishments in Mundra, Hazira, Tirora, Kawai, Dhamra and Udupi.

Focus areas

Community healthcare

Adani Foundation's objective is to provide 'affordable and accessible healthcare to all'. In line with this vision, the Foundation has commissioned mobile healthcare units, rural clinics, health camps, health cards, and various other programmes.

GAIMS

The Foundation entered into a public-private partnership with the Gujarat government to commission the Gujarat Adani Institute of Medical Science in 2009. The Bhuj College provides MBBS courses to more than 750 students.

Project SuPoshan

The Foundation addresses malnutrition and anaemia across women and children through this initiative. Project SuPoshan works with pregnant women, lactating mothers, children of 0-5 years, adolescent girls and women of reproductive age. SuPoshan has been implemented at 10 operational sites covering 232 villages and five municipal wards.

The project appointed 194 Sanginis (village health volunteers), building their capacity for household surveys, anthropometric measurements, and identification of Severely Acute Malnourishment (SAM) and Moderate Acute Malnutrition (MAM). Sanginis were also trained to conduct focus group discussions and family counselling sessions.

In 2016-17, 1,12,000 families were sensitized, including 9,000 families who were not a part of panchayat records. More than 5061 focus group discussions and 5,049 family counselling sessions were conducted covering 51,800 women and adolescent girls. Some 148 children were referred to government Child Malnutrition Treatment Centres, of which 120 are now in a healthy state. SuPoshan initiated HB screening of women and adolescent girls using the non-invasive apparatus. Since October 2016, 8,933 women and 8,948 adolescent girls have been screened.

G.K. General Hospital

The teaching hospital under GAIMS, G.K General Hospital is a 750-bed multi-specialty hospital and the

How Ishwar Dutt was cured

Ishwar Dutt suffered from chronic dermatitis. Dermatitis is an ailment which is common amongst the farmers coming into contact with cow-dung and mud. Ishwar could not afford medication and hospital treatment. A few years ago, Ishwar was introduced to Adani Foundation's Mobile Health Care Unit.

"Thanks to Adani Foundation's Mobile Health Care Units, I received medical facilities within my village, free medicines and timely professional advice. Today, I am cured!" he says.

largest operating hospital in the Bhuj region. The Foundation, through the G.K. General Hospital and the Adani Hospital at Mundra, provides health services to around 2,00,000 patients each year, completely free of cost.

Mobile healthcare units

Adani Foundation's 13 Mobile Health Care Units (MHCUs) address more than 19,000 patients per month, and more than 2,32,823 patients per year across 9 sites (Mundra, Sainj, Tiroda, Surguja, Dahej, Dhamra, Godda, Udupi and Kawai).

At Mundra and Bitta, the Foundation operates two MHCUs, reducing transit time, hardships and expenses for patients in the region. In 2016-17, 46,868 patients from 37 villages and six fisher-folk settlements were treated. In Tiroda, basic healthcare services were provided across 17 villages (22 locations) near Adani Power Maharashtra Limited, providing 44,847 free treatments. In the year under review, 12 rural clinics set up by the Foundation (11 in Mundra and one in Shimla) provided approximately 73,903 free treatments to local patients. The Dahej MHCU treated 20,597 patients in 2016-17.

Health camps

Adani Foundation's health camps comprise of primary healthcare facilities and financial assistance for neurological, heart, kidney,stroke, paralysis and cancer related ailment. The Foundation conducted 58 plus camps providing facilities in gynaecology, cataract detection, HIV detection and general health programs. Around 22,428 patients are treated annually through Adani Foundation's Health Camps.

Health cards

The Foundation provides Health Cards to senior citizens, which allow them to avail cashless medical services at empanelled hospitals. The project, Vadil Swasthya Yojana, covered 7,487 senior citizens from 66 villages in Mundra and proximate talukas. 9,367 OPD services were availed by cardholders.

Rural clinics

Adani Foundation treats around 73,903 patients each year at its rural clinics. At Mundra, there are 12 rural clinics in 11 villages; in Sainj, there is one full-fledged rural clinic; in Surguja, the dispensary comprises doctors, physiotherapists, lab technicians and pharmacists coupled with treatment facilities.

Focus areas

Sustainable Livelihood Development

Adani Foundation's sustainable livelihood program empowers marginalised communities with livelihood opportunities. The Foundation builds social capital, promotes self-help groups, preserves traditional art and organizes skill development programs. The Foundation has empowered numerous peasants and their families through economic independence.

Adani Skill Development Centres

Adani Skill Development Centre (ASDC) is a not-for-profit organization under the Adani Group Companies. The youngest under the Adani Group, the objective of the organization is to create enabling environments in which youth and women can enhance their employability.

Saksham

The flagship initiative of Adani Skill Development Centre, is built around the vision of creating a saksham India, where the youth are capable of achieving their goals by transforming into skilled professionals. The objective is to bring world-class skill development opportunities to Indian youths, an opportunity they would otherwise have no access to. The SAKSHAM initiative functions through partnerships with various schemes under the Government of India, and support from esteemed corporates. Under one initiative, SAKSHAM mobilized candidates across Gujarat who had prior training in plumbing from government ITIs. These candidates were further trained by ASDC as gas technicians. This specialised training in PNG connections was carried out to support the expansion of Adani Gas Ltd.'s city-based gas grid network. The program, entirely supported by Adani Gas Ltd., provided candidates with on-the-job work experience, and a stipend. 23 skilled technicians were successfully placed at Adani Gas Ltd on the completion of the training course. The initiative is being expanded to 8 different locations in India with support from Adani Gas Ltd. and Indian Oil Adani Gas Pvt. Ltd.

In another initiative, Adani Power Maharashtra Limited and Adani Foundation facilitated the establishment of Adani Skill Development Centre at Tiroda. The centre, inaugurated in December 2016, provides training in two key roles: electrician and welding. The centre owns state-of-the-art training facilities including Augmented Reality Training Simulators for welding. SAKSHAM, at Tiroda, supported 335 youth in 2017-18 through its Placement Linked Training Program, with the support of the Tribal Development Department of the Government of Maharashtra, and a Private Placement Consulting Firm.

SAKSHAM has also worked for the empowerment of women. Training in operating sewing machines was provided to women of Surguja (Chhattisgarh), Kawai (Rajasthan), Dhamra (Odisha) and Godda (Jharkhand). In Surguja, 350 candidates were trained in sewing machine operation and fitter trade. After completion of the training program, the women were placed in jobs. 100% of all fitter trade students were placed. The students trained in operating sewing machines were given orders for stitching school uniforms for Adani Vidya Mandir, Bhadreshwar, Gujarat.

In Vizhinjam, Kerala, after a thorough analysis of the skill sets of the local youth, a pedagogic approach was adopted in imparting three skilling programs to the youth, namely, employability skills, construction skills and livelihood or entrepreneurship skills. The Hon'ble Minister of Ports, Shri Ramachandran Kadannappalli, formally launched the Skill Development Program at Vizhinjam on 23rd November, 2016. Some 708 candidates have been impacted since the inception of the program.

The State Urban Development Authority, Government of Madhya Pradesh, under its National Urban Livelihood Mission, selected to partner Adani Skill Development Centre to provide Placement-Linked Training Programs in the electrician trade to 400 local youths.

Adani Skill Development Centre aims at making 3,00,000 Indian youths saksham by 2022. ASDC signed an MoU with the National Skill Development Corporation (NSDC) in the presence of Hon'ble Prime Minister of India, Shri Narendra Modi and Shri Rajiv Pratap Rudy (Hon'ble Minister of State Skill Development and Entrepreneurship) on 19th December, 2016. ASDC also signed an MoU with the Government of Gujarat on 12th January 2017 during Vibrant Gujarat 8th Global Summit 2017, in order to establish 2 Skill Development Centres in Gujarat. ASDC is working in phases to set up Skill Development Centres across the nation. As part of the first phase, skill development centres will be set by 2017 in Ahmedabad, Mundra, Surat, Tiroda, Surguja, Vizhinjam, Indore and Bhopal.

In 2016-17, Adani Skill Development Centre provided training to a total of 2,986 youths. Some 1,000 candidates were mobilized for skill training in, the First Quarter of 2017-18.

Fisher-folk communities

The Foundation introduced mangrove nursery development and plantation programmes to generate alternative income sources for fisher-folk during the non-fishing season. The community members were trained in mangrove nursery development and plantation and moss cleaning, among others. The programme generated 3,316 person-days of work. This programme also ensured environmental sustainability. The Foundation distributed fishing nets, ropes, buoys, ice-boxes, crates, weighing scales, anchors and solar lights, among others, to facilitate livelihoods. The Foundation supported 42 Pagadiya fishermen through painting, which ensured 5,068 person-days of employment. The Foundation actively worked with Mundra fisher-folk through community engagement activities. A cricket tournament (Adani Premier League) was organised; 44 teams of 12 villages and 528 fisher folks participated.

Women's empowerment

The Foundation transformed women from rural areas in Mundra into entrepreneurs through vocational training. Around 90 women were trained in preparing washing powder, phenyl, utensil cleaning liquids and hand wash among other household necessities. The women started Saheli Mahila Gruh Udyog shop in Shantivan Colony (Mundra), reporting a surplus. Till date the group has annual turnover of ₹3.70 lacs. The Foundation commissioned women's self-help groups in Mundra, Hazira, Surguja and Dhamra. In Hazira, Project Upahaar helped women launch canteen services. In Dhamra, the SHGs manufactured agarbattis, paddy crafts and papad. In Surguja, Project Unnayan helped SHG women start apparel making enterprises.

How Sushilatai's destiny changed

Sushilatai, 48, from Kawalewada village in Tiroda was severely affected by a shortfall of rains. Their only means of survival during summer was selling milk, which was meagre to support a family of seven.

When Sushilatai heard about Adani Foundation and its strong environmental activities, she sought its help for a better future. She substituted her daily chores with vermicomposting. She learned the process and started making dantmanjan (tooth paste) with cow dung ash. One dant manjan made out of cow dung ash is enough for complete oral care. Word spread. Her business flourished under the wings of Adani Foundation and today, she is a successful entrepreneur. Her Dantamanjan and vermi-compost are highly popular.

"With Adani Foundation's support, I started a second vermi-compost unit. This has my improved my financial status and boosted my self-confidence," she says.

Farmer support and animal husbandry

The Foundation collaborated with the Krishi Vigyan Kendra, taking 30 farmers from five Mundra villages on a tour to enhance agriculture technology awareness like; organic farming and biogas bottling plant. Some 2000 farmers from 42 Tiroda region villages implemented System of Rice Intensification across 4155 acres. The Foundation trained them in low-water, labour-intensive and organic methods. The Foundation supported farmers with five kilograms of paddy (Siri NP - 405) seeds and 50 kilograms of vermicompost while promoting organic paddy cultivation. In Tiroda, SRI helped these farmers reduce cultivation costs.

Rural Infrastructure Development

The Foundation empowers rural communities in developing infrastructure and resources, increasing livelihoods and providing sanitation access. Recognizing the government as the key player in the provision of basic infrastructure facilities, the Foundation endeavours to bridge implementation gaps and facilitate greater responsiveness to basic requirements.

Fisher-folk community

Under the Fisherman Housing Programme, shelters were constructed for fisher-folk residing near the coastline. Some 110 shelters were refurbished and handed over to fisher-folk families at Juna Bandar. 230 individual toilets constructed for fisherman vasahats/ settlements.

Water resourcefulness

Water quality and access are major rural challenges. The Foundation initiated the construction of check-dams and ponds in addition to stream-deepening in Mundra and Tiroda. This year, 39 ponds were deepened, 21 streams were cleaned and 21 farm ponds work was carried out in 43 villages of Tiroda helping recharge the ground water. The initiative increased the capacity of water storage to 2.44 lacs cubic meters. Water level was increased in 924 wells and 387 bore wells. 3,012 acres land (1,224 farmers) will be irrigated. Similarly, pond deepening in Dhrub & Mota Bhadiya village and earthen bund was constructed across the river at Baroi and Bhujpur of Mundra area. A model talab was deepened and constructed at village Antana in Kawai which increased water capacity 54 TCM.

Potable water

The Foundation commissioned reverse osmosis plants in schools and villages. In Belapur, 2,500 people were provided access to clean water at a purification rate of 1,000l/hr. An underground reservoir in Lakhigam Village was constructed to facilitate water supply.

Education infrastructure

The Foundation constructed assembly halls, computer labs and spaces for mid-day meals in Adani Vidya Mandirs and 26 schools. At Dhamra, Adani Foundation decided to develop a new school building to facilitate Adani

DAV Public School with proper and adequate infrastructure. A school building measuring 3,501 square metre at an estimated cost of ₹17.28 crores is nearing completion.

At Salhi, Adani Foundation, supported by AEL, constructed a new school building for Adani Vidya Mandir measuring 3,783 square metre at an estimated cost of ₹11.50 crores.

Health infrastructure

The Foundation helped increase hygiene-related awareness among rural communities. People were sensitized about the ill-effects of open defecation; villagers were motivated to achieve 'Nirmal Gam' - a spotless village. The Foundation worked with more than 26 villages in arranging 100% household toilet coverage, constructed 454 household and school toilets benefiting 2,403 people.

Special Project

Project Swachhagraha

Swachhagraha (inspired by Gandhiji's Satyagraha Movement and the government's Swachh Bharat Abhiyan) promotes a 'culture of cleanliness' among the youth. This initiative, in collaboration with our knowledge and implementation partner for the project Centre for Environment Education (CEE), has expanded into six cities across Gujarat (Ahmedabad, Surat, Vadodara, Rajkot, Bhuj and Anand) and three towns (Mundra, Jasdan and Vidyanagar).

During the last year, the campaign became operational in more than 650 schools, creating 13,500 active Swachhagrahis and over 1,350 Preraks in Gujarat. The awareness program reached 3,25,000 students; the community outreach touched more than 1,50,000 individuals. More than 70 schools across 15 states are now implementing Swachhagraha.

Innovative campaigns that helped popularize this initiative comprised 'Selfie with Safaike Sitare', Swachhagraha pledge campaign at Fun Street, street plays by 81 schools, online campaign 'Gandagi se Azadi' and 'Swachhagraha Ke Reporters'. Swachhagraha reached over 8 lac users on social media. A 70-day Swachhagraha campaign over Radio Mirchi, Ahmedabad, reached more than 30 lacs listeners. Swachhagraha also featured on the UNESCO Green Initiative website. Swachhagraha plans to go national in 2017-18, expanding operations across 11 more States.

Statutory Section

18TH ANNUAL REPORT 2016-17

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Gautam S. Adani, Chairman & Managing Director
Mr. Rajesh S. Adani
Dr. Malay Mahadevia, Whole Time Director
Mr. Karan G. Adani, Whole Time Director (w.e.f. 24/05/2017)
Prof. G. Raghuram
Mr. G. K. Pillai, IAS (Retd.)
Mr. Sanjay Lalbhai
Ms. Radhika Haribhakti
Mr. A. K. Rakesh, IAS (upto 07/09/2016)

COMPANY SECRETARY

Ms. Dipti Shah

AUDITORS

M/s. S R B C & CO LLP
Chartered Accountants
Ahmedabad

REGISTERED OFFICE

"Adani House", Nr. Mithakhali Six Roads,
Navrangpura, Ahmedabad-380009

BANKERS AND FINANCIAL INSTITUTIONS

Axis Bank Ltd.
Bank of America
Barclays Bank PLC
Citi Bank NA
DZ Bank AG, Germany
EXIM Bank
Export Development Canada
HDFC Bank Ltd.
HSH Nord Bank AG
ICICI Bank Ltd.
IDFC Bank Ltd.
IndusInd Bank Ltd.
Kotak Mahindra Bank Ltd.
Mizuho Corporate Bank Ltd.
RBL Bank Ltd.
State Bank of India
Society Generale
The Bank of Tokyo - Mitsubishi UFJ, Ltd.
Yes Bank Ltd.

CONTENTS

REGISTRAR AND TRANSFER AGENT

M/s. Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai-400083
Phone: +91-22-49186270
Fax: +91-22-49186060

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respects of electronic holding with the Depository through their concerned Depository Participants.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 18th Annual Report along with the audited financial statements of your Company for the financial year ended on March 31, 2017.

Financial Performance:

The Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 w.e.f April 1, 2016. Financial statements for the year ended and as at March 31, 2016 have been restated to conform to Ind AS. The summarized financial highlight is depicted below:

(₹ in crore)

Particulars	Consolidated		Standalone	
	2016-17	2015-16	2016-17	2015-16
Revenue from operations	8,439.35	7,108.65	4,878.86	4,619.17
Other Income	1,040.11	732.67	1,284.67	1,172.77
Total Income	**9,479.46**	**7,841.32**	**6,163.53**	**5,791.94**
Operating expenses	3,024.66	2,484.32	1,331.81	1,241.25
Depreciation and Amortisation Expenses	1,160.19	1,062.96	540.71	519.32
Foreign Exchange (Gain) / Loss (net)	(277.44)	50.30	(200.33)	70.65
Finance Cost				
- Interest and Bank Charges	1,281.24	1,193.61	1,103.40	929.75
- Derivative (Gain)/Loss	111.94	(69.31)	95.00	(75.30)
Total Expenditure	**5,300.59**	**4,721.88**	**2,870.59**	**2,685.67**
Profit before share of profit from joint ventures and tax	**4,178.87**	**3,119.44**	**3,292.94**	**3,106.27**
Tax Expense (net)	286.63	282.81	192.33	141.77
Profit after tax and before share of profit from joint ventures	**3,892.24**	**2,836.63**	**3,100.61**	**2,964.50**
Share of Profit from Joint Ventures	9.26	19.27	-	-
Net Profit for the year	**3,901.50**	**2,855.90**	**3,100.61**	**2,964.50**
Total Other Comprehensive Income	**6.67**	**16.98**	**12.33**	**16.60**
Total Comprehensive Income for the year (net of tax)	**3,908.17**	**2,872.88**	**3,112.94**	**2,981.10**
Attributable to:				
Equity holders of the parent	3,919.94	2,913.72	3,112.94	2,981.10
Non-controlling interests	(11.77)	(40.84)	-	-

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

Performance Highlights:

Your Company has created a milestone in Indian commercial ports history by handling 168.72 MMT of cargo. Mundra Port continues to rank 1st in terms of total cargo handling and 2nd in terms of container cargo handling during the year under review. The other ports developed and being operated by your Company at Dahej, Hazira, Kandla, Dhamra, Murmugao and Kattupalli have performed well.

The audited consolidated financial statements of the Company as on March 31, 2017, prepared in accordance with the relevant applicable Ind AS and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Companies Act, 2013, forms part of this Annual Report.

The key aspects of your Company's consolidated performance during the financial year 2016-17 are as follows:

- Cargo volume increased by 11% from 151.51 MMT in 2015-16 to 168.72 MMT in 2016-17.
- Total Income increased by 21% from ₹7,841.32 crore in 2015-16 to ₹9,479.46 crore in 2016-17.
- Profit after Tax increased by 35% from ₹2,913.72 crore in 2015-16 to ₹3,919.94 crore in 2016-17.
- Earning per Share (EPS) for the year increased by 35% from ₹13.99 in 2015-16 to ₹18.89 in 2016-17.

The detailed operational performance of the Company has been comprehensively discussed in the Management Discussion and Analysis Report which forms part of this Report.

Dividend:

Your Directors have recommended a dividend of 65% (₹1.30 per equity share of ₹2 each) on the equity shares and 0.01% dividend on 0.01% Non-Cumulative Redeemable Preference Shares of ₹10 each for the financial year 2016-17. The said dividend, if approved by the shareholders, would involve a cash outflow of ₹324.03 crore including tax thereon.

Transfer to Reserves:

The Company proposes to transfer ₹355.66 crore to Debenture Redemption Reserve out of the amount available for appropriation.

Status of Scheme of Arrangement:

During the year under review, the Board of Directors at its meeting held on February 14, 2017 had approved the Scheme of Arrangement between Adani Ports and Special Economic Zone Limited (the Company or Transferor Company) and The Adani Harbour Services Private Limited (the Transferee Company) and their respective shareholders and creditors (scheme) for transfer and vesting of Marine Business Undertaking of the Company to the Transferee Company as a going concern, on Slump Sale basis for which lump sum consideration shall be paid by the Transferee Company to the Company. The rationale for the Scheme of Arrangement is as under:

Both, the Transferor Company and the Transferee Company are carrying on marine business. Consolidating similar businesses within one company would enable the business activities to be carried out with greater focus and specialization for sustained growth. It is expected that the proposed consolidation will allow more focused strategy, standardization in operations, operating cost optimization, better monitoring and utilization of assets, effective co-ordination with customers which in turn would enhance shareholder's value.

The said Scheme is effective upon approval of shareholders, creditors, Hon'ble National Company Law Tribunal and other regulatory and statutory approvals as applicable.

US Bond Issuance - Rule 144A/Regulation S Offerings:

During the year under review, your Company priced rule 144A/Regulation S offering of USD 500 million 3.95% Senior Unsecured Notes due 2022. These Notes are rated Baa3 (Moody's), BBB- (S&P) and BBB- (Fitch).

Fixed Deposits:

During the year under review, your Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013 read with rules made there under.

Non-Convertible Debentures:

During the year under review, your Company has issued 42,520 Rated, Listed, Secured Redeemable Non-Convertible Debentures (NCDs) of face value of ₹10 lakh each aggregating to ₹4,252 crore on a private placement basis listed on the Wholesale Debt Market Segment of BSE Limited.

Further, your Company has redeemed 14,600 NCDs of face value of ₹10 lakh each and bought-back 8,483 NCDs of face value of ₹10 lakh each issued on private placement basis.

Particulars of loans, guarantees or investments:

The provisions of Section 186 of the Companies Act, 2013, with respect to a loan, guarantee or security is not applicable to the Company as the Company is engaged in providing infrastructural facilities which is exempted under Section 186 of the Companies Act, 2013. The details of investment made during the year under review are disclosed in the financial statements.

Subsidiaries, Joint Ventures and Associate Companies:

Your Company had 26 (direct and indirect) subsidiaries as on March 31, 2017.

During the year under review, the following changes have taken place:

- √ Adani Petroleum Terminal Private Limited was incorporated as wholly owned subsidiary of the company on April 26, 2016 with an object to promote, invest and to develop, operate, maintain hydro-carbons terminal.
- √ Abbot Point Operations Pty Ltd, a wholly owned subsidiary company has acquired 100% stake of Abbot Point Bulkcoal Pty Ltd (APBPL) and accordingly, APBPL became step down subsidiary.
- √ Your Company has acquired 100% stake of The Adani Harbour Services Private Limited (Formerly, TM Harbour Services Private Limited) (TAHSPL) pursuant to share purchase agreement signed on December 7, 2016 and accordingly, TAHSPL become wholly owned subsidiary.
- √ Your Company has divested its entire stake of Mundra LPG Terminal Private Limited (MLTPL) to Adani Petroleum Terminal Private Limited and accordingly, MLTPL become step down subsidiary.
- √ Your Company has acquired 100% stake of Mundra LPG Infrastructure Private Limited (MLIPL) from Adani Hazira Port Private Limited and accordingly, MLIPL became wholly owned subsidiary.
- √ Your Company has acquired 26% stake of Adani Kandla Bulk Terminal Private Limited (AKBTPL) and Adani Murmugao Port Terminal Private Limited (AMPTPL) from Adani Enterprises Limited and accordingly, AKBTPL and AMPTPL become wholly owned subsidiaries.

No Company has become/ceased to be a Joint venture/ associate during the financial year 2016-17.

Mundra International Gateway Terminal Private Limited was incorporated as wholly owned subsidiary of the company on May 17, 2017 with an object to develop, operate, maintain ports and related infrastructure facilities.

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules made thereunder and pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had prepared consolidated financial statements of the Company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form AOC-1 forms part of this Annual Report.

The annual financial statements and related detailed information of the subsidiary companies shall be made available to the shareholders of the holding and subsidiary companies seeking such information on all working days during business hours. The financial statements of the subsidiary companies shall also be kept for inspection by any shareholder/s during working hours at the Company's registered office and that of the respective subsidiary companies concerned. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on website, www.adaniports.com. Details of developments of subsidiaries of the Company are covered in the Management Discussion and Analysis Report which forms part of this Report.

Directors and Key Managerial Personnel:

During the year under review, Mr. A. K. Rakesh, IAS (DIN: 00063819) representing Gujarat Maritime Board ceased to be Director w.e.f September 7, 2016. Board places on record the deep appreciation for valuable services and guidance provided by him during the tenure of his Directorship.

Mr. Gautam S. Adani (DIN: 00006273) was re-appointed as Chairman and Managing Director for a period of five years w.e.f July 1, 2017 subject to approval of shareholders of the Company.

Mr. Karan Adani, CEO (DIN: 03088095) of the Company was appointed as an Additional Director and Whole Time Director of the Company for a period of five years w.e.f May 24, 2017 subject to the approval of shareholders of the Company.

Your Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as independent director during the year.

Pursuant to the requirements of the Companies Act, 2013 and Articles of Association of the Company, Mr. Rajesh S. Adani (DIN: 00006322) is liable to retire by rotation and being eligible offers himself for re-appointment. The Board recommends the appointment of Mr. Rajesh S. Adani as Director of the Company retiring by rotation.

Brief details of Mr. Gautam S. Adani, Mr. Rajesh S. Adani and Mr. Karan Adani as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Notice of the Annual General Meeting.

Directors' Responsibility Statement:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state the following:

a. that in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that such accounting policies have been selected and applied consistently except which has been mentioned in the notes and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the annual financial statements have been prepared on a going concern basis;

e. that proper internal financial controls were in place and that the financial control were adequate and were operating effectively;

f. that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Number of Board Meetings:

The Board of Directors met 5 (five) times during the year under review. The details of board meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of this Report.

Independent Directors' Meeting:

The Independent Directors met on February 14, 2017, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Board Evaluation:

The Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgement, governance issues etc.

All Directors participated in the evaluation survey and review was carried out through a peer-evaluation excluding the Director being evaluated. The result of evaluation was discussed in the Independent Director's meeting held on February 14, 2017, Nomination and Remuneration Committee meeting and in the Board Meeting held on May 24, 2017.

The Board members noted the suggestions / inputs of Independent Directors, Nomination and Remuneration Committee and discussed various initiatives to further strengthen Board effectiveness.

Policy on directors' appointment and remuneration:

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 is available on the website of the Company at http://www.adaniports.com/investor/investor-download.

Internal Financial control system and their adequacy:

The details in respect of internal financial control and their adequacy are included in Management Discussion and Analysis Report which forms part of this report.

Risk Management:

The Board of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses are systematically addressed through mitigation actions on a continual basis.

Committees of Board:

Details of various committees constituted by the Board of Directors as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 are given in the Corporate Governance Report which forms part of this report.

Sustainability and Corporate Social Responsibility:

The Company has changed the nomenclature of "Corporate Social Responsibility Committee" to "Sustainability and Corporate Social Responsibility Committee" (CSR) and has approved the revised terms of reference. The brief details of CSR Committee and contents of CSR policy is provided in the Corporate Governance Report. The Annual Report on CSR activities is annexed and forms part of this report. The CSR policy is available on the website of the Company at http://www.adaniports.com/sustainability/policies.

Corporate Governance and Management Discussion and Analysis Report:

A separate report on Corporate Governance compliance and a Management Discussion and Analysis Report as stipulated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report along with the required Certificate from a Practising Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated.

In compliance with Corporate Governance requirements, your Company has formulated and implemented a Code of Business Conduct and Ethics for all Board members and senior management personnel of the Company, who have affirmed the compliance thereto.

Business Responsibility Report:

The Business Responsibility Report for the year ended March 31, 2017 as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed which forms part of this Annual Report.

Prevention of Sexual Harassment at Workplace:

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has constituted Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

Extract of Annual Return:

The details forming part of the extract of the Annual Return in Form MGT-9, is annexed to this report as Annexure-A.

Related Party Transactions:

All the related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Your Company had not entered into any transactions with related parties which could be considered material in terms of Section 188 of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company:

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

Insurance:

Your Company has taken appropriate insurance for all assets against foreseeable perils.

Quality, Health, Safety and Environment:

At Adani Ports and Special Economic Zone Limited (APSEZL), Quality, Health, Safety and Environmental (QHSE) responsibilities are integral to operations. Your Company has acquired International Standards ISO 9001:2015, ISO 14001:2004, OHSAS 18001:2007, ISO 28000:2007 certifications specifying the requirements for an Integrated Management System (IMS) as part of its objective to improve quality, health, safety and environment in the work place.

Apart from the ISO certification your company has adopted its own Safety Management System (SMS) which is based on the philosophy that safety is primarily line management's responsibility. The SMS is divided into 20 elements, with each element being owned by an element owner who is from the line management at Port. These element owners are accountable for implementation, monitoring and sustenance of their respective element.

The organization has revisited its OHS Vision, Mission statements and Life Saving Rules which are non-negotiable, thereby treating "Safety" as a Value and not a priority.

The QHSE policy, OHS vision and mission and Life Saving Rules have been communicated to all the stakeholders. Further, to give impetus to organization's HSE & well-being, messages have been issued by the senior leadership team re-emphasizing the Safety First culture.

The Company has taken following major initiatives to advance the QHSE commitment:

Significant Safety Initiatives:

1. Successfully completed IMS certification for Adani Ports / Terminals at Dahej, Dhamra, Goa and Tuna. Recertification completed for Mundra and Hazira Ports.
2. Business wide implementation of Adani Group Safety Management System (SMS). Adani Port is harbinger and first amongst other businesses to achieve Level 1 of SMS.
3. Have clocked more than 82 million man hours, inducted more than 27,000 workers and trained more than 16,000 workers and employees.
4. Online Quiz competition – What Went Wrong (WWW), based on the learning's from previous incidents at Ports so as to spread the awareness about the root cause of incidents and corrective and preventive actions to be taken to prevent recurrence.
5. Engaged world leaders like DuPont, Chill worth at Hazira and Mundra respectively to assess the gaps in Liquid Terminals in implementation of operational procedures and action plan to bridge the gaps.

Your Company acknowledges its responsibility towards the Environment and has initiated numerous initiatives to reduce impact on Environment. The Company has developed a vision for Zero Waste and is working towards making APSEZ - a Zero Waste Company. APSEZ has taken several initiatives at various port locations by focusing on 5R principles of waste management i.e. Reduce, Reuse, Reprocess, Recycle and Recover.

- Entire treated sewage is reused for horticulture purpose at all sites and kitchen / food waste generated at Mundra Port, Hazira Port, Tuna Port and Dahej Port is converted to manure which is used for horticulture requirements.
- Paperless drive initiated at Mundra has reduced printing paper consumption by over 90%.
- At Dhamra, waste paper is recycled to produce notepads.
- Under "Plastic free" drive across Mundra, Dhamra, Goa, Kattupalli and Tuna ports, alternative solutions are provided and in situations where use of plastic is unavoidable, it is ensured that it is collected and sent onward for recycling.
- Various activities are initiated on pilot scale for water conservation which include installation of water maker (produces water from atmospheric moisture), replacement of conventional urinal pots by water free urinals, flow reducers in water taps etc.

The Company has come out with its first sustainability report as per GRI-G4 guidelines. The Company has evolved Sustainability Charter for continuous improvement of sustainability performance.

Auditors & Auditors' Report:

As per Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration No.: 324982E / E300003) as the Statutory Auditors of the Company expires at the conclusion of the ensuing Annual General Meeting (AGM) of the Company.

The Board of Directors of the Company at its meeting held on May 24, 2017, on the recommendation of the Audit Committee, has made its recommendation for appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No 117366W/W-100018), as the Statutory Auditors of the Company for a term of five consecutive years, from the conclusion of 18th AGM of the Company till the conclusion of 23rd AGM to be held in year 2022 (subject to ratification of their appointment at every AGM) for approval of shareholders of the Company.

The Company has received a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder.

Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013.

Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the rules made thereunder, your Company had appointed Mr. Ashwin Shah, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for financial year 2016-17 is annexed which forms part of this report as Annexure-B.

There were no qualifications, reservation or adverse remarks in the Secretarial Audit Report of the Company.

Information Technology- an enabler for Growth:

Ports and logistics is a critical industry and is hugely be impacted by the evolution of emerging and disruptive technologies. Knowing this and keeping up with the business growth and expansion, your company in 2016-17 has initiated its journey towards building a robust and scalable enterprise-wide IT infrastructure.

To manage the technology obsolesce risk, the company embarked on the journey to upgrade and reform the existing technology stack. In addition, the focus was on to ensure that IT skills and capabilities are in place to meet the business needs and create an IT governance structure to ensure cost efficiency and continuous improvement in IT service delivery.

The company has initiated work towards adopting emerging technologies like Internet-of-Things (IOT) with value added service such as analytics to improve overall operational intelligence and produce better business outcomes. Port Community System is being developed as a digital solution for port stakeholders so that they are able to seamlessly perform all their activities from the confines of their office premises either through Web or a Mobile platform.

The strategic direction is to reduce manual intervention through self-service, provide intelligence to tailor actions based on events and data and thereby make the best use of the resources. The aim is to realise the benefits of safety, reliability, efficiency and reduced human error.

Awards, Certifications and Accreditations:

- Dun and Bradstreet - India's Leading Infrastructure Company Port Category - Infra Awards 2016.
- Sea Port of the Year – Private at Logistic Asia Award 2016.
- Sea Port of the Year – Liquid Terminal at Logistic Asia Award 2016.
- Samudra Manthan Awards 2016 for Private Port of the Year.
- Container Handling Port of the year at 7th all India Maritime and Logistics Awards.
- Private Port/Terminal of the Year Award at India Seatrade Award 2016.
- Best Port of the year (Non Containerized) Award at India Maritime Awards.
- Best Port of the year (Containerised) Gujarat Star Awards.
- Won Gold in "1st Annual EKDKN Exceed Award 2017".
- MALA Awards - Port/Maritime Personality of the year awarded to a senior official of the Company.
- Global Ports Forum award for Port/Terminal Visionary of The Year 2017 awarded to a senior official of the Company.
- Global Ports Forum award for Container Terminal Operator of the year 2017.
- Sliver Trophy – "FINEST INDIA SKILLS & TALENT AWARD 2017" category of "Best Fire Safe Company – Services" after its launch for the first time in India.
- Golden Peacock Award for Corporate Social Responsibility for the year 2016.

Particulars of Employees:

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in separate annexure forming part of this Report as Annexure-C.

The statement containing particulars of employees as required under Section 197 of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of The Companies (Accounts) Rules, 2014, as amended from time to time is annexed to this Report as Annexure-D.

Acknowledgement:

Your Directors are highly grateful for all the guidance, support and assistance received from the Government of India, Government of Gujarat, Gujarat Maritime Board, Financial Institutions and Banks. Your Directors thank all shareholders, esteemed customers, suppliers and business associates for their faith, trust and confidence reposed in the Company.

Your Directors wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that the Company continues to grow and excel.

For and on behalf of the Board of Directors

Place: Ahmedabad
Date: May 24, 2017

Gautam S. Adani
Chairman & Managing Director
(DIN: 00006273)

Annexure – A to the Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended March 31, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

CIN	:	L63090GJ1998PLC034182
Registration Date	:	May 26, 1998
Name of the Company	:	Adani Ports and Special Economic Zone Limited
Category / Sub-Category of the Company	:	Company limited by share
Address of the Registered office and contact details	:	Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009, Gujarat Phone No.: 91-79-26565555
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083, Maharashtra Phone No. : 91-22-49186270

II. Principal business activities of the Company:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Name and description of main Products/Services	NIC Code of the Product/service	% to total turnover of the company
Cargo handling incidental to water transport	52242	100%

III. Particulars of holding, subsidiary and associate companies:

Sr No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Adani Petronet (Dahej) Port Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U63012GJ2003PTC041919	Subsidiary	74.00	2(87)
2.	Mundra SEZ Textile and Apparel Park Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U74999GJ2005PTC046978	Subsidiary	51.41	2(87)
3.	Adani Murmugao Port Terminal Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U61100GJ2009PTC057727	Subsidiary	100	2(87)
4.	Adani Kandla Bulk Terminal Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U63090GJ2012PTC069305	Subsidiary	100	2(87)
5.	Adani Vizag Coal Terminal Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U45203GJ2011PTC064976	Subsidiary	100	2(87)

Sr No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
6.	Adani Hazira Port Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U45209GJ2009PTC058789	Subsidiary	100	2(87)
7.	MPSEZ Utilities Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U45209GJ2007PTC051323	Subsidiary	100	2(87)
8.	Adani Logistics Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U63090GJ2005PLC046419	Subsidiary	100	2(87)
9.	Adani Ennore Container Terminal Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U61200GJ2014PTC078795	Subsidiary	100	2(87)
10.	Mundra International Airport Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U62200GJ2009PTC057726	Subsidiary	100	2(87)
11.	Karnavati Aviation Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U63090GJ2007PTC051309	Subsidiary	100	2(87)
12.	Adani Warehousing Services Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U63020GJ2012PTC069972	Subsidiary	100	2(87)
13.	Adani Hospitals Mundra Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U85110GJ2013PTC077422	Subsidiary	100	2(87)
14.	The Dhamra Port Company Ltd. HIG-20, BDA Colony, Jayadev Vihar Bhubaneswar Khordha, Odisha-751013	U45205OR1998PLC005448	Subsidiary	100	2(87)
15.	Mundra LPG Infrastructure Pvt. Ltd. (Formerly, Hazira Road Infrastructure Pvt. Ltd.) Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U45200GJ2010PTC062503	Subsidiary	100	2(87)
16.	Shanti Sagar International Dredging Pvt. Ltd. (Formerly, Adani Food and Agro-Processing Park Pvt. Ltd.) Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U01403GJ2015PTC083090	Subsidiary	100	2(87)
17.	Adani Kattupalli Port Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U61100GJ2015PTC084219	Subsidiary	100	2(87)
18.	Adani Vizhinjam Port Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U61200GJ2015PTC083954	Subsidiary	100	2(87)
19.	Adani Petroleum Terminal Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U11201GJ2016PTC091695	Subsidiary	100	2(87)
20.	The Adani Harbour Services Pvt. Ltd. (Formerly, TM Harbour Services Pvt. Ltd.) Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U61100GJ2009FTC095953	Subsidiary	100	2(87)
21.	Hazira Infrastructure Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U45203GJ2010PTC061029	Step down Subsidiary	100	2(87)

Sr No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
22.	Mundra LPG Terminal Pvt. Ltd. (Formerly, Adani Mundra LPG Terminal Pvt. Ltd.) Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U40106GJ2015PTC084303	Step down Subsidiary	100	2(87)
23.	Adani Dhamra LPG Terminal Pvt. Ltd. (Formerly, Dhamra LPG Terminal Pvt. Ltd) Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U40106GJ2015PTC084295	Step down Subsidiary	100	2(87)
24.	Dhamra LNG Terminal Pvt. Ltd. (Formerly, Adani Dhamra LNG Terminal Pvt. Ltd.) Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U11200GJ2015PTC081996	Step down Subsidiary	100	2(87)
25.	Abbot Point Operations Pty Ltd. 'AMP Place' Level 30, 10 Eagle Street, Brisbane City, QLD 4000	Foreign Company	Subsidiary	100	2(87)
26.	Abbot Point Bulkcoal Pty Ltd. Level 25, 10 Eagle Street, Brisbane City, QLD 4000	Foreign Company	Step down Subsidiary	100	2(87)
27.	Adani International Container Terminal Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U61200GJ2011PTC065095	Joint Venture	50	2(6)
28.	Adani CMA Mundra Terminal Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U61200GJ2014PTC080300	Joint Venture	50	2(6)
29.	Dholera Infrastructure Pvt. Ltd. 51, Geekni House, 5th Floor, Near Law Garden, Ahmedabad- 390006	U45203GJ2006PTC049426	Associate	49	2(6)

IV. Share Holding Pattern (equity share capital breakup as percentage of total equity as on March 31, 2017)

i) Category-wise Share Holding

Sr No	Category of Shareholders	No of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A.	Promoter									
1	Indian									
a)	Individuals/HUF	14,64,857	-	14,64,857	0.07	-	-	-	-	(0.07)
b)	Central Govt./ State Govt.	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	14,05,12,153	-	14,05,12,153	6.78	14,05,12,153	-	14,05,12,153	6.78	-
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any Others									
	Family Trust	88,98,27,949	-	88,98,27,949	42.97	88,98,27,949	-	88,98,27,949	42.97	-
Sub Total(A)(1)		**103,18,04,959**	**-**	**103,18,04,959**	**49.82**	**103,03,40,102**	**-**	**103,03,40,102**	**49.75**	**(0.07)**
2	Foreign									
a)	NRIs-Individuals	13,07,94,953	-	13,07,94,953	6.32	-	-	-	-	(6.32)
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	52,08,562	-	52,08,562	0.25	23,92,10,775	-	23,92,10,775	11.55	11.30
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
Sub Total(A)(2)		**13,60,03,515**	**-**	**13,60,03,515**	**6.57**	**23,92,10,775**	**-**	**23,92,10,775**	**11.55**	**11.30**
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		**116,78,08,474**	**-**	**116,78,08,474**	**56.39**	**126,95,50,877**	**-**	**126,95,50,877**	**61.30**	**4.98**

Sr No	Category of Shareholders	No of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
B.	**Public shareholding**									
1	**Institutions**									
a)	Mutual Funds/ UTI	7,03,95,435	-	7,03,95,435	3.40	7,64,31,754	-	7,64,31,754	3.69	0.29
b)	Banks/FI	37,02,657	-	37,02,657	0.18	48,59,234	-	48,59,234	0.23	0.05
c)	Central Govt./State Govt.	15,69,858	-	15,69,858	0.07	10,54,010	-	10,54,010	0.05	(0.02)
d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
e)	Insurance Companies	6,80,86,719	-	6,80,86,719	3.29	8,82,43,669	-	8,82,43,669	4.26	0.97
f)	FII	39,61,11,288	-	39,61,11,288	19.13	4,44,39,953	-	4,44,39,953	2.15	(16.98)
g)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h)	Any Other									
	Foreign Portfolio Investor	24,98,93,047	-	24,98,93,047	12.06	48,15,92,479	-	48,15,92,479	23.25	11.19
	Foreign Bank	9,993	-	9,993	0.00	-	-	-	-	(0.00)
	Sub-Total (B)(1)	**78,97,68,997**	**-**	**78,97,68,997**	**38.13**	**69,66,21,099**		**69,66,21,099**	**33.63**	**(4.50)**
2	**Non-institutions**									
a)	Bodies Corporate									
i	Indian	3,07,86,918	5,648	3,07,92,566	1.49	3,14,04,868	5,648	3,14,10,516	1.52	0.03
ii	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
I	Individuals shareholders holding nominal share capital up to ₹1 lakh	5,03,01,154	6,39,427	5,09,40,581	2.46	4,42,09,429	6,27,736	4,48,37,165	2.17	(0.29)
ii	Individual shareholders holding nominal share capital in excess of ₹1 lakh	1,64,41,283	-	1,64,41,283	0.79	1,21,08,156	-	1,21,08,156	0.58	(0.21)
c)	Other (specify)									
	Clearing Member	20,52,863	-	20,52,863	0.10	37,26,980	-	37,26,980	0.18	0.08
	Non Resident Indian (Repat)	87,18,891	-	87,18,891	0.42	84,55,207	-	84,55,207	0.41	(0.01)
	Non Resident Indian (Non Repat)	3,82,819	-	3,82,819	0.02	3,24,042	-	3,24,042	0.02	-
	Foreign Companies	59,690	-	59,690	0.00	59,679	-	59,679	0.00	(0.00)
	Directors/ Relatives	16,86,008	-	16,86,008	0.08	-	-	-	-	(0.08)
	Trusts	2,41,797	-	2,41,797	0.01	4,77,103	-	4,77,103	0.02	0.01
	Foreign Nationals	14,123	-	14,123	0.00	14,273	-	14,273	0.00	-
	Hindu Undivided Family	20,43,669	-	20,43,669	0.10	33,66,664	-	33,66,664	0.16	0.06
	Sub-Total (B)(2)	**11,27,29,215**	**6,45,075**	**11,33,74,290**	**5.47**	**10,41,46,401**	**6,33,384**	**10,47,79,785**	**5.06**	**(0.41)**
	Total Public Shareholding (B)=(B)(1)+(B) (2)	**90,24,98,212**	**6,45,075**	**90,31,43,287**	**43.60**	**80,07,67,500**	**6,33,384**	**80,14,00,884**	**38.69**	**(4.91)**
C.	**Shares held by Custodians for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	**207,03,06,686**	**6,45,075**	**207,09,51,761**	**100.00**	**207,03,18,377**	**6,33,384**	**207,09,51,761**	**100.00**	**-**

ii) Shareholding of Promoters/Promoters Group:

Sr No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the company	% shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% shares pledged/ encumbered to total shares	
1	Rakesh Ramanlal Shah[1]	8,93,103	0.04	0.01	-	-	-	(0.04)
2	Pritiben Rakeshbhai Shah[1]	3,16,885	0.02	0.01	-	-	-	(0.02)
3	Surekha Bhavikbhai Shah[1]	1,55,018	0.01	-	-	-	-	(0.01)
4	Bhavik Bharatbhai Shah[1]	57,255	0.00	-	-	-	-	(0.00)
5	Vinod Sanghavi[1]	42,596	0.00	-	-	-	-	(0.00)
6	Gautambhai Shantilal Adani & Rajeshbhai Shantilal Adani (on behalf of S. B. Adani Family Trust)	87,73,17,807	42.36	14.79	87,73,17,807	42.36	18.12	Nil

[1] Reclassified the status from "Promoter Group" category to the "public" category w.e.f. March 20, 2017.

Sr No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the company	% shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% shares pledged/ encumbered to total shares	
7	Gautambhai Shantilal Adani & Pritiben Gautambhai Adani (on behalf of Gautam S. Adani Family Trust)	1,24,80,142	0.60	-	1,24,80,142	0.60	-	Nil
8	Rajeshbhai Shantilal Adani & Shilin Rajeshbhai Adani (on behalf of Rajesh S. Adani Family Trust)	30,000	0.00	-	30,000	0.00	-	Nil
9	Adani Properties Pvt. Ltd.	14,05,12,153	6.78	4.32	-	-	-	(6.78)
10	Parsa Kente Rail Infra LLP	-	-	-	14,05,12,153	6.78	-	6.78
11	Vinod S. Adani	13,07,94,953	6.32	-	-	-	-	(6.32)
12	Ventura Power Investments Pvt. Ltd.[2]	52,08,562	0.25	-	-	-	-	(0.25)
13	Pan Asia Trade & Investment Private Limited [2]	-	-	-	52,08,562	0.25	-	0.25
14	Worldwide Emerging Market Holding Limited	-	-	-	7,90,46,818	3.83	-	3.83
15	Universal Trade And Investments Limited	-	-	-	8,08,61,339	3.90	-	3.90
16	Afro Asia Trade and Investments Limited	-	-	-	7,40,94,056	3.58	-	3.58
	Total	**116,78,08,474**	**56.39**	**19.13**	**126,95,50,877**	**61.30**	**18.12**	**4.91**

[2] Pan Asia Trade & Investment Pvt. Ltd. has acquired equity shares of the Company pusuant to amalgamation of Ventura Power Investment Private Limited with Pan Asia Trade & Investment Pvt. Ltd. w.e.f. March 24, 2017

iii) Change in Promoters'/Promoters' Group Shareholding:

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	116,78,08,474	56.39	-	-
- Reclassification of the shareholding status from "Promoter Group" category to the "Public" category w.e.f. 20.03.2017.	(14,64,857)	(0.07)	116,63,43,617	56.32
- Market Purchase/Inter se transfer#	10,32,07,260	4.98	126,95,50,877	61.30
At the end of the year	-	-	126,95,50,877	61.30

#Details of shares purchased/inter se transfer by Promoter/Promoter's Group companies during the year is as under:

Sr No	Name	Shareholding at the beginning of the year		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Worldwide Emerging Market Holding Ltd.	-	-	24.05.16	7,00,000	Market Purchase	7,00,000	0.03
				26.05.16	8,00,000		15,00,000	0.07
				27.05.16	6,00,000		21,00,000	0.10
				30.05.16	7,00,000		28,00,000	0.14
				02.06.16	8,00,000		36,00,000	0.17
				03.06.16	5,50,000		41,50,000	0.20
				07.06.16	7,50,000		49,00,000	0.24
				16.06.16	7,00,000		56,00,000	0.27
				17.06.16	5,00,000		61,00,000	0.29
				30.06.16	11,00,000		72,00,000	0.35
				05.07.16	12,00,000		84,00,000	0.41
				11.07.16	9,00,000		93,00,000	0.45
				12.07.16	10,00,000		1,03,00,000	0.50

Sr No	Name	Shareholding at the beginning of the year		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				13.07.16	9,00,000		1,12,00,000	0.54
				14.07.16	6,00,000		1,18,00,000	0.57
				15.07.16	7,00,000		1,25,00,000	0.60
				18.07.16	6,00,000		1,31,00,000	0.63
				19.07.16	9,00,000		1,40,00,000	0.68
				20.07.16	10,00,000		1,50,00,000	0.72
				21.07.16	9,00,000		1,59,00,000	0.77
				22.07.16	8,00,000		1,67,00,000	0.81
				25.07.16	7,00,000		1,74,00,000	0.84
				26.07.16	7,00,000		1,81,00,000	0.87
				27.07.16	7,00,000		1,88,00,000	0.91
				28.07.16	8,00,000		1,96,00,000	0.95
				12.08.16	3,50,0000		2,31,00,000	1.12
				16.08.16	40,00,000		2,71,00,000	1.31
				17.08.16	45,00,000		3,16,00,000	1.53
				18.08.16	35,00,000		3,51,00,000	1.69
				22.08.16	1,00,000		3,52,00,000	1.70
				23.08.16	2,00,000		3,54,00,000	1.71
				25.08.16	35,000		3,54,35,000	1.71
				31.08.16	13,500		3,54,48,500	1.71
				31.03.17	4,35,98,318	Gift	7,90,46,818	3.82
2.	Universal Trade and Investments Ltd	-	-	17.08.16	50,000	Market Purchase	50,000	0.00
				19.08.16	5,50,000		6,00,000	0.03
				23.08.16	18,00,000		24,00,000	0.12
				24.08.16	2,91,352		26,91,352	0.13
				25.08.16	3,50,000		30,41,352	0.15
				26.08.16	5,00,000		35,41,352	0.17
				29.08.16	11,00,000		46,41,352	0.22
				31.08.16	12,10,000		58,51,352	0.28
				01.09.16	12,00,000		70,51,352	0.34
				02.09.16	2,00,000		72,51,352	0.35
				06.09.16	11,00,000		83,51,352	0.40
				07.09.16	12,00,000		95,51,352	0.46
				08.09.16	6,00,000		1,01,51,352	0.49
				09.09.16	5,00,000		1,06,51,352	0.51
				12.09.16	7,00,000		1,13,51,352	0.55
				14.09.16	9,50,000		1,23,01,352	0.59
				15.09.16	8,50,000		1,31,51,352	0.64
				16.09.16	5,00,000		1,36,51,352	0.66
				19.09.16	3,58,285		1,40,09,637	0.68
				20.09.16	4,00,000		1,44,09,637	0.70
				21.09.16	9,00,000		1,53,09,637	0.74
				22.09.16	3,53,700		1,56,63,337	0.76
				23.09.16	2,24,684		1,58,88,021	0.77
				26.09.16	2,50,000		1,61,38,021	0.78
				27.09.16	12,50,000		1,73,88,021	0.84
				28.09.16	12,50,000		1,86,38,021	0.90
				29.09.16	4,55,000		1,90,93,021	0.92
				30.09.16	8,75,000		1,99,68,021	0.96
				04.10.16	5,00,000		2,04,68,021	0.99
				05.10.16	5,00,000		2,09,68,021	1.01
				06.10.16	15,00,000		2,24,68,021	1.08
				07.10.16	14,00,000		2,38,68,021	1.15
				10.10.16	17,00,000		2,55,68,021	1.23
				13.10.16	17,00,000		2,72,68,021	1.32
				28.10.16	10,00,000		2,82,68,021	1.36
				01.11.16	7,80,000		2,90,48,021	1.40
				02.11.16	10,00,000		3,00,48,021	1.45
				03.11.16	8,00,000		3,08,48,021	1.49
				04.11.16	10,00,000		3,18,48,021	1.54
				07.11.16	13,00,000		3,31,48,021	1.60
				08.11.16	12,50,000		3,43,98,021	1.66

Sr No	Name	Shareholding at the beginning of the year		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				09.11.16	12,75,000		3,56,73,021	1.72
				10.11.16	5,00,000		3,61,73,021	1.75
				11.11.16	9,00,000		3,70,73,021	1.79
				16.11.16	1,90,000		3,72,63,021	1.80
				31.03.17	4,35,98,318	Gift	8,08,61,339	3.90
3	Afro Asia Trade and Investments Ltd	-	-	13.10.16	50,000	Market Purchase	50,000	0.00
				15.11.16	5,00,000		5,50,000	0.03
				16.11.16	6,93,052		12,43,052	0.06
				17.11.16	7,00,000		19,43,052	0.09
				18.11.16	10,00,000		29,43,052	0.14
				21.11.16	5,27,687		34,70,739	0.17
				22.11.16	4,00,000		38,70,739	0.19
				23.11.16	10,00,000		48,70,739	0.24
				24.11.16	14,00,000		62,70,739	0.30
				25.11.16	2,00,000		64,70,739	0.31
				28.11.16	6,75,000		71,45,739	0.35
				29.11.16	7,00,000		78,45,739	0.38
				30.11.16	8,25,000		86,70,739	0.42
				01.12.16	5,00,000		91,70,739	0.44
				02.12.16	9,25,000		1,00,95,739	0.49
				05.12.16	3,50,000		1,04,45,739	0.50
				06.12.16	4,50,000		1,08,95,739	0.53
				07.12.16	5,00,000		1,13,95,739	0.55
				08.12.16	8,25,000		1,22,20,739	0.59
				09.12.16	5,00,000		1,27,20,739	0.61
				12.12.16	5,00,000		1,32,20,739	0.64
				13.12.16	4,50,000		1,36,70,739	0.66
				14.12.16	10,00,000		1,46,70,739	0.71
				15.12.16	10,00,000		1,56,70,739	0.76
				16.12.16	10,00,000		1,66,70,739	0.80
				19.12.16	10,00,000		1,76,70,739	0.85
				20.12.16	2,00,000		1,78,70,739	0.86
				21.12.16	8,00,000		1,86,70,739	0.90
				22.12.16	5,00,000		1,91,70,739	0.93
				26.12.16	6,00,000		1,97,70,739	0.95
				27.12.16	3,75,000		2,01,45,739	0.97
				28.12.16	3,50,000		2,04,95,739	0.99
				29.12.16	4,50,000		2,09,45,739	1.01
				30.12.16	4,50,000		2,13,95,739	1.03
				02.01.17	6,00,000		2,19,95,739	1.06
				03.01.17	6,50,000		2,26,45,739	1.09
				04.01.17	12,50,000		2,38,95,739	1.15
				05.01.17	10,00,000		2,48,95,739	1.20
				06.01.17	15,00,000		2,63,95,739	1.27
				09.01.17	15,00,000		2,78,95,739	1.35
				10.01.17	10,00,000		2,88,95,739	1.40
				12.01.17	10,00,000		2,98,95,739	1.44
				16.01.17	6,00,000		3,04,95,739	1.47
				31.03.17	4,35,98,317	Gift	7,40,94,056	3.58
4	Adani Properties Pvt. Ltd.	140,512,153	6.78	29.03.17	13,06,35,852	Inter Se Transfer	98,76,301	0.47
				30.03.17	38,27,913		60,48,388	0.29
				31.03.17	60,48,388		-	-
5	Parsa Kente Rail Infra LLP	-	-	29.03.17	13,06,35,852	Inter Se Transfer	13,06,35,852	6.31
				30.03.17	38,27,913		13,44,63,765	6.49
				31.03.17	60,48,388		14,05,12,153	6.78
6	Vinod Shantilal Adani	130,794,953	6.32	31.03.17	130,794,953	Gift	-	-
7	Ventura Power Investments Pvt Ltd	52,08,562	0.25	24.03.17	52,08,562	Amalga-mation	-	-
8	Pan Asia Trade & Investments Ltd.	-	-	24.03.17	52,08,562		52,08,562	0.25

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoter and Holders of GDRs and ADRs):

Sr No	Name of Shareholder*	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	Decrease	Increase	No. of Shares	% of total shares of the Company
1.	Life Insurance Corporation of India	70345281	3.40	-	21660812	92006093	4.44
2.	Elara India Opportunities Fund Limited	51791495	2.50	11880572	-	39910923	1.93
3.	HDFC Trustee Company Ltd - A/C HDFC Mid-Cap Opportunities Fund	8854579	0.43	-	28681328	37535907	1.81
4.	Cresta Fund Ltd	42659814	2.06	9877744	-	32782070	1.58
5.	Baytree Investments (Mauritius) Pte Ltd	21000000	1.01	-	9217884	30217884	1.46
6.	EM Resurgent Fund	23708310	1.14	-	3777011	27485321	1.33
7.	Government of Singapore	19338624	0.93	1006912	-	18331712	0.89
8.	Emerging India Focus Fund	38224312	1.85	20298113	-	17926199	0.87
9.	Albula Investment Fund Ltd	37705184	1.82	20826470	-	16878714	0.82
10.	SBI Magnum Balance Fund	19230964	0.93	2761937	-	16469027	0.80
11.	Abu Dhabi Investment Authority - Monsoon	19286645	0.93	3567286	-	15719359	0.76
12.	HSBC Bank (Mauritius) Limited	24756975	1.19	24756975	-	-	-

*The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

v) Shareholding of Directors and Key Managerial Personnel:

Name	Shareholding at the beginning of the year		Date	Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company		Decrease	Increase	No. of Shares	% of total shares of the Company
Directors:							
Mr. Gautam S. Adani	-	-	-	-	-	-	-
Mr. Rajesh S. Adani	-	-	-	-	-	-	-
Dr. Malay Mahadevia	16,34,188	0.08	20.03.17	5,00,000	-	11,34,811	0.05
			21.03.17	3,00,000	-	8,34,188	0.04
			22.03.17	5,00,000	-	3,34,188	0.02
			23.03.17	3,34,188	-	-	-
Prof. G. Raghuram	-	-	-	-	-	-	-
Mr. G. K. Pillai	-	-	-	-	-	-	-
Mr. Sanjay Lalbhai	-	-	-	-	-	-	-
Ms. Radhika Haribhakti	-	-	-	-	-	-	-
Mr. A. K. Rakesh, IAS[1]	-	-	-	-	-	-	-
Key Managerial Personnel:							
Mr. Karan Adani	-	-	-	-	-	-	-
Mr. B. Ravi	1075	0.00	-	-	-	1075	0.00
Ms. Dipti Shah	3600	0.00	-	-	-	3600	0.00

[1] Ceased as Director w.e.f September 7, 2016

V) Indebtedness:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,692.29	9,815.70	-	15,507.99
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	63.24	27.07	-	90.31
Total (i+ii+iii)	**5,755.53**	**9,842.77**	**-**	**15,598.3**
Change in Indebtedness during the financial year				
• Addition (Principal & Interest)	5,983.95	26,078.29	-	32,062.24
• Reduction (Principal & Interest)	(4,253.18)	(23,248.28)	-	(27,501.46)
• Exchange Difference	(48.59)	(312.94)	-	(361.53)
Net Change	**1,682.18**	**2,517.07**	**-**	**4,199.25**
Indebtedness at the end of the financial year				
i) Principal Amount	7,233.20	12,310.47	-	19,543.67
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	204.51	49.37	-	253.88
Total (i+ii+iii)	**7,437.71**	**12,359.84**	**-**	**19,797.55**

VI) Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in Lakhs)

Sr No	Particulars of Remuneration	Gautam S. Adani Managing Director	Malay Mahadevia Whole Time Director	Total Amount
1	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	180.00	1084.60	1264.60
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	3.50	3.50
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	100.00	-	100.00
	- others, specify	-	-	-
5	Others-contribution towards PF etc.	-	22.17	22.17
	Total	**280.00**	**1110.27**	**1390.27**
	Ceiling as per the Act	₹33,163 Lakhs (@ 10% of profits calculated as per Section 198 of the Companies Act, 2013).		

B. Remuneration to other Directors:

(₹ in Lakhs)

Sr No	Particulars of Remuneration	Fee for attending board/ committee meetings	Commission	Others, please specify	Total Amount
1.	**Independent Directors**				
	Prof. G. Raghuram	3.00	12.00	-	15.00
	Mr. G. K. Pillai	1.00	12.00	-	13.00
	Mr. Sanjay Lalbhai	0.80	-	-	0.80
	Ms. Radhika Haribhakti	3.00	12.00	-	15.00
	Total (1)	**7.80**	**36.00**	**-**	**43.80**
2.	**Other Non-Executive Directors**				
	Mr. Rajesh S. Adani	5.00	-	-	5.00
	Mr. A.K. Rakesh, IAS[1]	-	-	-	-
	Total (2)	**5.00**	**-**	**-**	**5.00**
	Total (1+2)	**12.80**	**36.00**	**-**	**48.80**
	Overall ceiling as per the Act	₹3,316 Lakhs (@ 1% of profits calculated as per Section 198 of the Companies Act, 2013).			

[1]Ceased as Director w.e.f September 7, 2016

C. Remuneration to key managerial personnel other than MD/WTD/Manager

(₹ in Lakhs)

Sr No	Particulars of Remuneration	Chief Executive Officer*	Chief Financial Officer	Company Secretary	Total Amount
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	78.53	338.92	19.83	437.28
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	2.84	1.97	4.81
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
5	Others- contribution towards PF etc.	9.04	12.54	1.07	22.65
	Total	**87.57**	**354.30**	**22.87**	**464.74**

*Includes remuneration w.e.f September 1, 2016

VII) Penalties / Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/ compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
A. Company					
Penalty	None				
Punishment					
Compounding					
B. Directors					
Penalty	None				
Punishment					
Compounding					
C. Other Officers in default					
Penalty	None				
Punishment					
Compounding					

Annexure – B to the Directors' Report

Form No. MR-3

Secretarial Audit Report
for the financial year ended March 31, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014]

To
The Members
Adani Ports and Special Economic Zone Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Adani Ports and Special Economic Zone Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);

   d. The Securities and Exchange Board of India (Share Based Employee Benefit) Regulation, 2014 (Not Applicable to the Company during the Audit Period);

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);

vi) Laws specifically applicable to the industry to which the company belongs, as identified by the management, that is to say:

- The Explosives Act, 1884 and Gas Cylinder Rules, 2004
- The Legal Metrology Act, 2009 & The Gujarat Legal Metrology (Enforcement) Rules, 2011
- The Petroleum Act, 1934 and The Petroleum Rules, 2002
- The Gujarat Special Economic Zone Act, 2004 & The Gujarat Special Economic Zone Rules, 2005

- The Merchant Shipping Act, 1958
- International Convention for The Safety of Life at Sea, 2002
- Gujarat Maritime Board Act, 1981
- The Indian Railways Act, 1989 & Wagon Investment Scheme

I have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards issued by The Institute of Company Secretaries of India.

b) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to filing of certain e-forms with additional fees.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has:

1) Passed a special resolution, to offer and issue, Foreign Currency Convertible Bonds and Ordinary Shares aggregating to an amount not exceeding ₹10,000 crore.

2) Passed a special resolution to authorised board of directors to subscribe redeemable secured / unsecured non-convertible debentures, bonds and /or other debt securities.

3) As per the provision of Foreign Exchange Management Act, 1999 (FEMA), members have consented to permit Foreign Institutional Investors (FIIs)/ SEBI approved sub-accounts of FIIs/ Foreign Portfolio Investors (FPIs) shall acquire and make investment up to an aggregate limit of 49% (forty nine percent) of the paid-up equity share capital of the Company.

Place: Ahmedabad
Date: May 24, 2017

CS Ashwin Shah
Company Secretary
C. P. No. 1640

Note: This report is to be read with our letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report

'Annexure – A' to the Secreterial Audit Report

To
The Members
Adani Ports and Special Economic Zone Limited

Our report of even date is to be read along with this letter

1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Ahmedabad
Date: May 24, 2017

CS Ashwin Shah
Company Secretary
C. P. No. 1640

Annexure – C to the Directors' Report

Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2016-17:

Name of Directors/KMP	Ratio of remuneration to median remuneration of employees	% increase in remuneration in the financial year
Executive Directors:		
Mr. Gautam S. Adani	42.55:1	–
Dr. Malay Mahadevia	168.73:1	3.77
Non-Executive Directors:		
Mr. Rajesh S. Adani[1]	0.76:1	(37.50)
Mr. Sanjay Lalbhai[1]	0.12:1	(33.33)
Mr. A. K. Rakesh, IAS[2]	-	-
Prof. G. Raghuram[3]	2.28:1	(1.31)
Mr. G. K. Pillai[3]	1.98:1	1.56
Ms. Radhika Haribhakti[3]	2.28:1	2.74
Key Managerial Personnel:		
Mr. Karan Adani	N.A.	N.A.[4]
Mr. B. Ravi	N.A.	23.02
Ms. Dipti Shah	N.A.	13.50

[1] Reflects sitting fees
[2] Reflects sitting fees. Ceased as director during the year
[3] Reflects sitting fees and commission
[4] As he is drawn remuneration w.e.f September 1, 2016

ii) The percentage increase in the median remuneration of employees in the financial year: 14.10%

iii) The number of permanent employees on the rolls of Company: 1,353 as on March 31, 2017.

iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

- Average increase in remuneration of employees excluding KMPs: 14.22%
- Average increase in remuneration of KMPs: 6.60%
- KMP salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.

v) Affirmation that the remuneration is as per the Remuneration Policy of the Company:
The Company affirms remuneration is as per the Remuneration Policy of the Company.

Annexure – D to the Directors' Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 are set out as under:

A. Conservation of Energy:

i) **Steps taken or impact on conservation of energy:** Average power factor of the system has been maintained up to 0.972. This is attributable to numerous initiatives / improvisations which have helped to cut down on energy consumption. Some of these initiatives are:

- Reduction of yard conveyor speed during reclaiming operations from 1.31 Unit/Ton to 1.11 Unit/Ton at west basin terminal has resulted in a 15% reduction in power consumption.
- Auto switch off of power supply to suspended belt magnets during yard conveyor off condition has resulted in power saving.
- Switching off the supply of unwanted light at night hours. This was the result of close coordination between the operations and engineering services department.
- Stacking operations normally require long travel. Hence switching off the slew motor during stacking operation has resulted in power saving.
- Switching off power supply to unwanted lighting in grab ship unloader (boom back reach 4 nos 1000W light).
- Supply of shore power to coast guard vessels and bunker barges has resulted in saving of nearly 25,000 litres of diesel.
- Power saving through use of LED lighting at fertilizer cargo complex platform area at multi-purpose terminal.
- Switching from dual drive to single drive for wagon loading conveyor at fertilizer cargo complex platform.
- Switching on streetlights only in zig-zag manner in Samudra Township has reduced energy consumption by 38%.
- Switching on upper layer of all the High Masts with two tiers electrical circuit has reduced energy consumption in SEZ area by 58%.
- Reduction in "NO LOAD" losses & increase of operating efficiency due to optimum loading by reducing 4315 kVA installed capacity of distribution transformers.
- Alternate use of 25 MVA power transformers at Main Receiving Substation and MITAP Substation to reduce "NO LOAD" losses.
- Reduced 124 printers from the office building to save paper and electricity

ii) **Steps taken by the company for utilizing alternate sources of energy:**

- Commissioning of 1.5 MW Solar PV on roof tops of Samudra Township, it will generate 2.2 million units per annum.

iii) **Capital investment on energy conservation equipment:** Not applicable.

B. Technology Absorption:

i) **Efforts made towards technology absorption:** A number of automation and technological initiatives have been undertaken during the year. Some of these include:

- Implementation of contract labour management system with end-to-end online approval & information flow, in-built checks, resource dashboards and reports.
- Advance GPS system with advance feature of traffic safety and driver behaviour monitoring, vehicle booking system.
- Online clearance of customs for dry cargo and Liquid movement reducing turnaround time, reducing paper-work and improving safety.

- Rip detection system installed in all conveyors to avoid long distance belt damage at west basin.
- Safe stop operation of High Tension (6.6KV) motor if communication fails & programmable logic and control (PLC) fail via modified 6.6KV incomer wiring at west basin.
- Railway track auto siren – working with the sensors fitted on tracks, siren blows automatically when rake arrives in the silo area – Automation to avoid accidents due to rake arrival.
- Introduce gauge screen in stacker cum reclaimer and Central Control Room to improve production of stacker cum reclaimer and blending accuracy.
- Installation of sensitive motion sensors for lighting system in every office building inside port.
- Introduced GSM based technology to on/off the godown lighting & changed the PLC programme to control all conveyor based lighting from control room.
- Astro base timer fitted on 35 lighting tower to control the lighting based on sunrise and sunset.
- Introduced sensor based truck & trailer positioning system in five weighbridges inside the port.
- Installed CCTV camera on goliath crane to reduce manual intervention and to increase the visibility to operator while handing of pipe, coil and plate.
- Provided cable rill drum facility to provide electric shore supply for smaller vessel which requires up to 100 ampere power load.
- Installed 200 Vehicle Mounted Terminal (tablet) in ITVs to remove manual intervention and improve the productivity

ii) **Benefits derived like product improvement, cost reduction, product development or import substitution:** Not applicable

iii) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):** Not applicable

iv) **Expenditure incurred on Research and Development:** Not applicable

C. Foreign Exchange Earnings and Outgo:

The particulars relating to foreign exchange earnings and outgo during the year under review are as under:

(₹ in Crore)

Particulars	2016-17	2015-16
Foreign exchange earned	-	-
Foreign exchange outgo	378.92	363.83

Annexure to the Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2016-17 AS PER SECTION 135 OF THE COMPANIES ACT, 2013

1. **A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

   The Company has framed Corporate Social Responsibility (CSR) Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

   The Company carried out/ implemented its CSR activities/ projects through Adani Foundation. The Company has identified Education, Community Health, Sustainable Livelihood Development and Rural Infrastructure Development as the core sectors for CSR activities. The CSR Policy has been uploaded on the website of the Company at http://www.adaniports.com/Sustainability/Policies.

2. **Composition of the CSR Committee:**
   - Mr. Rajesh S. Adani, Chairman
   - Mr. Sanjay Lalbhai, Member
   - Dr. Malay Mahadevia, Member

3. **Average net profit of the Company for last three financial years:** ₹2,388.69 crore

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** ₹47.78 crore

5. **Details of CSR spent during the financial year:**

   a) Total amount spent for the financial year 2016-17: ₹47.78 crore

   b) Amount unspent, if any: Nil

   c) Manner in which the amount spent during the financial year: Details are as under:

(₹ in Lakhs)

1.	2	3	4	5	6		7	8
Sr. No.	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs.	(2) Overheads:	Cumulative expenditure upto to reporting period.	Amount spent: Direct or through implementing agency
1.	Adani Vidya Mandir	Education	Ahmedabad & Bhadreshwar, Gujarat Surguja, Chhattisgarh	485.00	485.05	-	735.88	Through Adani Foundation
2.	Adani DAV Public School and Adani - KISS building cost		Mundra, Gujarat Dhamra & Baripada, Odisha	506.00	504.92	-	1,658.76	

1.	2	3	4	5	6		7	8
Sr. No.	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs.	(2) Overheads:	Cumulative expenditure upto to reporting period.	Amount spent: Direct or through implementing agency
3.	Support to Govt. Schools by providing education material, teacher training and coaching to improved learning level of Students.		Mundra & Ahmedabad, Gujarat Udupi, Karnataka Tiroda, Maharashtra	164.00	159.36	-	534.47	Through Adani Foundation
4.	Project - Udaan with Other programmes		Mundra, Gujarat Tiroda, Maharashtra	370.00	367.47	-	782.23	
5.	Education and Social development		Bhuj, Gujarat	-	-	-	21.00	Direct
6.	Education and Social development		Ahmedabad, Gujarat	83.25	80.00	-	80.00	Direct
7.	Medical Support-G. K. General Hospital	Community Health	Bhuj, Gujarat	780.00	750.00	-	750.00	Direct
					28.36	-	89.26	
8.	Swachhagraha		Ahmedabad, Gujarat	100.00	93.33	-	94.76	Through Adani Foundation
9.	Mobile Health Care Units		Mundra, Gujarat Tiroda, Maharashtra	9.00	8.88	-	59.70	
10.	Medical Support to needy and poor patients including senior citizen by rural clinics and medical camps and de-addiction camps		Ahmedabad & Mundra, Gujarat Tiroda, Maharashtra Udupi, Karnataka	117.00	111.91	-	194.94	
11.	Collaborative Actions in Lowering Maternity Encounters Death (CALMED)		Mundra, Gujarat	1.50	1.83	-	5.54	
12.	Dead body carrier vehicle support		Mundra, Gujarat	8.00	7.52	-	7.52	
13.	Health Card to Senior citizens and Truck Drivers		Mundra, Gujarat	231.00	227.64	-	435.56	
14.	Flagship Project: Anaemia Reduction and Prevention Programme & Support to ICDC to reduce Malnutrition		Mundra, Gujarat Tiroda, Maharashtra	0.25	0.23	-	11.94	
15.	Establishing multi-specialty Charusat Hospital		Anand, Gujarat	-	40.00	-	80.00	Direct

1.	2	3	4	5	6		7	8
Sr. No.	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs.	(2) Overheads:	Cumulative expenditure upto to reporting period.	Amount spent: Direct or through implementing agency
16.	Health, sanitation and education related awareness activity		Ahmedabad, Gujarat	-	-	-	19.65	Direct
17.	Skill development activities to generate employability at local level	Sustainable Livelihood Development	Mundra, Gujarat	352.00	375.42	-	612.62	Through Adani Foundation
18.	Improving agricultural production using technology by providing training to farmers at local level		Tiroda, Maharashtra	27.00	-	-	21.03	
19.	Support to Om Creation Trust		Mumbai, Maharashtra	-	-	-	306.58	
20.	G-Auto Project		Ahmedabad, Gujarat	-	-	-	30.66	
21.	Support provided to improve rural infrastructure works such as community hall, pond deepening, repairing and constructing houses, bore well repairing, safe drinking water etc.	Rural Infrastructure Development	Mundra & Hazira, Gujarat Tiroda, Maharashtra, Chhindwara, Madhya Pradesh, Udupi, Karnataka, Vizhinjam, Kerala	1,429.00	1,424.10	-	2,145.91	
22.	Promoting Rural Sport and mobilizing youth	Rural Sports	Mundra, Gujarat Udupi, Karnataka Vizhinjham, Kerela	115.00	111.98	-	113.75	
23.	Support Olympics Athletes	Supporting Athletes	Gujarat	-	-	-	67.50	
		Total		**4,778.00**	**4,778.00**	**-**	**8,859.26**	

6. **In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:** Not applicable

7. **CSR Committee Responsibility Statement:**
The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Gautam S. Adani
Chairman & Managing Director
(DIN: 00006273)

Rajesh S. Adani
Chairman - CSR Committee
(DIN: 00006322)

Annexure to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS

The discussion hereunder covers financial results and subsidiaries development of Adani Ports and Special Economic Zone Limited (APSEZL) for the financial year 2016-17 and its business outlook for the future. This outlook is based on assessment of the current business environment and Government policies. The change in future economic and other developments are likely to cause variation in this outlook.

Economic Outlook:

Global economy picked up pace, albeit modestly from the later part of 2016. The strength in commodities yielded some inflation in major advanced economies, also quelling the recessionary conditions in key commodity exporting emerging market economies (EME), setting stage for a broader turnaround in EME group. Global growth is expected to further improve in 2017 to 3.5% and to 3.6% in 2018 (IMF World Economic Outlook January 2017). World trade appears to have troughed out but new challenges emerging from a wave of protectionism amidst geopolitical challenges needs to be watched out.

The US economy made a strong comeback in 2016, aided by a robust consumer spending and continued improvement in the labour market. Though somewhat ebbed, the risks of a reflationary fiscal policies in the US is still real and so is a hawkish forward guidance of the US Fed.

Euro area also saw some growth acceleration in H2 of 2016 as sustained labor market gains and relatively low oil prices aided improvement in consumer confidence. The region, nonetheless, remains vulnerable owing to upcoming elections in several member countries and formal beginning of the Brexit process.

Japan recovered modestly with a momentum loss in H2 of 2016 with moderate rise in private consumption and fixed investment, even as some uptick in industrial production and exports did materialize towards end of 2016.

China remained at crossroads: while year-on-year GDP growth did improve in Q4 of 2016 led by policy stimulus, sequential growth reflected a sharp loss of momentum. Rising concerns on financial stability amidst high indebtedness have overshadowed the stabilisation narrative.

India's story came out unscathed after the demonetization shock in late 2016 and the value chains were restored rather quickly in a short span of time. Factoring that in, the statistical office (CSO) expects India to grow 7.1% over fiscal-year ending March-2017, highest among the large economies.

Going forward, the federal government plans to launch a nationwide rollout of the Goods and Services tax (GST) from July, 2017 and after some expected adjustment turbulence, its assumed that resulting economic efficiencies would start aiding the growth numbers.

Industry Structure:

Ports:

Indian Scenario:

Government's infrastructure push to build a modern economy is an important input to creation of a sustainable growth framework. Creation of a world-class port infrastructure is one crucial element of the country's overall economic development.

Aided by demand revival globally, the Indian ports handled 1,138 MMT of cargo in 2016-17, a 6% growth on a weak base of 1,072 MMT in 2015-16. Cargo traffic handled at 12 major ports stood at 648 MMT during the FY 2016-17, a 6.9% growth over 606 MMT in FY 2015-16, reversing the past trends of higher growth in cargo handling at non-major ports.

At 1,730 MMT of total cargo handling capacity, ports in India showed a 65% utilization rate with the regional overcapacities, especially in southern and eastern coast line creating a bias. Among major ports in FY 2016-17, the Kandla Port handled maximum traffic (105.44 MMT), followed by the Paradip port (88.95 MMT) and the Mumbai port (63.05 MMT). Two major ports witnessed contracted volumes, Kamarajar (-6.8%) and JNPT (-3.13%).

At 113.72 MMT in FY 2016-17, Mundra port ranked number one in commercial cargo handled at all India level.

Special Economic Zone:

The Special Economic Zone Policy was framed in April, 2000 with an objective to increase the exports, attract Foreign Direct Investment and to accelerate the economic growth of the country. Your Company's Multi-product SEZ at Mundra is the largest notified SEZ in the country with notified area of 8,481.28 Hectares. Exports from Mundra SEZ upto March, 2017 was about ₹14,423 crore (cumulative). Mundra SEZ with its multi-modal connectivity including road, rail, sea port and airport is expected to attract more and more investments in the coming years.

Performance Overview:

During the year under review, the performance of your Company is encouraging. The Company has been leading across all the fronts and Mundra Port continues to be the largest commercial port in India by handling 113.72 MMT of cargo in financial year 2016-17 and total cargo handled across all Adani Ports is 168.72 MMT during the year under review.

Your Company maintained better than industry growth record and registered a 11% growth in cargo volumes in financial year 2016-17 as compared to financial year 2015-16. The Company would continue to lead innovative practices, adoption of technology and setting examples of efficient port operations.

Performance Highlights:

Your Company operates eight ports and terminals across the coastline of India. Your company's facilities have a pan-India footprint with presence in 5 maritime states of India viz. Gujarat, Goa, Andhra Pradesh, Tamil Nadu and Odisha. Two ports / terminals are in project phase - Ennore Container Terminal will begin operations during 2017 and Vizhinjam Port which is India's First Transhipment port is expected to be operational by 2019.

The eight ports and terminals consist of 44 berths spanning across 13,000 metres of quay length and two single point moorings to facilitate the handling of Dry, Liquid, Crude oil, Containers, RoRo and Project Cargo. Your Company's operational facilities are equipped with the latest cargo handling facilities which are not only best in class but capable of handling the largest vessels calling at Indian ports.

Your Company has added 'SHANTI SAGAR 17', a Trailing Suction Hopper Dredger, to its dredging fleet. Our dredging fleet stands at nineteen dredgers.

Adani Logistics Limited (ALL), a subsidiary of your Company has commissioned and commenced commercial operations at its Inland Containers Depot (ICD) at Kilaraipur in Punjab. ALL already operates ICDs in Patli and Kishangarh and is a major player in the container train business.

The Company also provides other services, including infrastructure, leasing and logistics services at the Mundra Port through its surrounding infrastructure, including the Mundra SEZ, which the Company has developed and operates. Mundra SEZ is one of the largest operating port based multi-product special economic zones in India.

Your Company's port services include marine, handling intra-port transport, storage, other value-added and evacuation services for a diverse range of customers, primarily terminal operators, shipping lines and agents, exporters, importers and other port users. This helps your Company to diversify its income sources, eliminate revenue leakage, reduce financial risk and compete more effectively. Consequently, your Company's cargo and service mix has a significant effect on its results of operations.

Our key performance highlights for the year under review are as under:

1. Mundra port has retained the coveted number one commercial port of India position for the fourth consecutive year. Total cargo handled at Mundra port in FY16-17 is 113.72 MMT.
2. Successfully completion of CT-4. Its commissioning has made Mundra Port India's largest container-handling port. APSEZL and CMA CGM will jointly operate container terminal 4 at Mundra Port for 15 years.
3. CT-4 has a 650 meter jetty with a container backup area of 6,503 TGS culminating to a terminal capacity to 1.3 million TEUs per annum. The jetty is designed to handle Container vessels with 2,00,000 dead weight tonnage (about 18,000 TEUs). In Phase I, the terminal will be equipped with four quay cranes and twelve RTGs in addition to three reach stacker & one empty container handler. For the year under review CT-4 has handled 2,76,630 TEUs.
4. Achieved highest coal discharge rate (1,64,000+ MT in 24 hours) during discharge of MV Marijeannie at west basin terminal.
5. Handled deepest draft container vessel of 16.3M surpassing the previous best of 16.2M. MV MSC Luciana is the deepest container vessel to sail out of any Indian port.

6. APSEZL Railway services handled total 9,524 container trains (5,031 Export and 4,493 Import rakes and total 9,47,832 TEUs) during year 2016-17, surpassing the previous best of 8,138 container trains of 2015-16.

7. Mundra port handled 1 MMT of agri cargo during the fiscal. Conversion of the Fertilizer Cargo Complex (FCC) into Agri Cargo Complex (ACC) helped change the operation dynamics and ensured seamless evacuation of agri cargo to respective destinations.

8. Handled two pure car carriers simultaneously for the first time at Adani Mundra Container Terminal on February 28, 2017 - M.V Morning Cornet of EUKOR, loading 2,500 cars for Latin America and M.V Swift Ace of MOL intend to load 432 for Europe country of Maruti Suzuki.

Special Economic Zone:

As part of strategy for cluster based development, an Electronics Manufacturing Cluster (EMC) including solar energy equipment & its ancillary units is being developed within the SEZ over an area of 259.70 Hectares.

In addition to the 16 co-developers approved by Government of India for providing various infrastructure facilities, as at March 31, 2017, total 37 entities have obtained approval for setting up of their units in the SEZ. Some of them have already started operations & export activities. Some are under construction. These units have already invested about ₹2,524 crore.

This will effectively contribute to the landmark "make in India" initiative of the Government of India.

Other Group Developments:

Adani Kandla Bulk Terminal Private Limited

1. Tuna port handled 4.46 MMT of cargo during the year with a growth of 20% against to 3.72 MMT in 2015-16, with addition of Salt, Barley & Iron Ore in the commodity basket.

2. Achieved a new milestone by handling six rakes in a day includes four coal & two fertilizers.

Adani Petronet (Dahej) Port Private Limited

1. Dahej port handled 6.34 MMT of cargo during the year and enhanced the port's mechanised coal capacity through commissioning of stacker/reclaimer No. 3 and Wagon Loading Silo No. 2 in Q4 FY 16-17.

2. Commissioned multipurpose godown to cater to clean goods viz. Agri commodities, Fertilizers, Steel, etc. This is in line with the port's endeavour to diversify the cargo portfolio.

Adani Hazira Port Private Limited

1. Hazira port handled 15.30 MMT of cargo during the year. Surpassed last year annual cargo volume 12.29 MMT in month of January 2017.

2. Liquid Team has successfully handled total 12 nos. of different commodities from a single vessel "MT BOW MEKKA" highest till date. Vessel completed in a record time of 18 hours and 45 min. First time 6 different dock lines were used for simultaneous discharge of commodities in February 2017.

3. Dry Cargo achieved highest ever dispatch/arrival quantity of 33,789 MT / 1,180 Trucks.

Adani Murmugao Port Terminal Private Limited

1. The port handled 1.96 MMT of cargo during the year with Year on Year growth of 8%. Total 46 Nos of vessels were handled in financial year 16-17.

The Dhamra Port Company Limited

1. Dhamra port handled 21.41 MMT of cargo during the year. With year-on-year growth of 46%, the port is poised to become the biggest and most efficient ports on the east coast of India.

2. New berth BB3 commissioned on June 15, 2016.

Adani Kattupalli Port Private Limited

1. Handled 0.35 Lac TEUs handled during 2016-17. Year-on-year growth of 202% in containers and 104% in break bulk cargo.

2. After VARDHA cyclone, Kattupalli port was the only port on the east coast to commence operations the very next day.

Adani Logistics Limited (ALL)

1. ALL commissioned and commenced commercial operations of its third ICD at Kilaraipur in Punjab. ALL already operates ICDs in Patli and Kishangarh.

2. ALL has increased its share as the single largest private rail operator in the country. It has added 6 more rakes to the fleet taking the number of rakes from 18 to 24 and increasing capacity by 33%.

3. ALL has expanded capabilities to offer warehousing and end-to-end supply chain solutions to clients e.g. - Maruti Suzuki, Honda, Adani Wilmar, Toyota Tsusho, Hero Motors, Aditya Birla and many more.

Competition:

Deep draught berths, minimum pre-berthing delays and fast turnaround of vessels are the factors which make APSEZL stand out from its competitors. Other attributes like state-of-art port infrastructure facilities, domain expertise in the port services industry, specialised infrastructure constructed to handle specific commodities, established customer relationships, ability to facilitate port based development, consistent high-quality service and our ability to flexibly meet our customers' requirements including flexibility in tariffs support APSEZL to compete with state-run as well as private ports.

Despite common hinterland in northwest India which is shared with these ports, APSEZL has been successful in attracting substantial cargo increase year after year and the trend is expected to continue in the future as well. With its state of art container handling, storage and evacuation infrastructure, APSEZL's Mundra and Hazira Ports have emerged as preferred 'Port of Call' to key global liners.

Risk, Opportunity and Threats:

ASPEZL has a formal risk assessment and management system which periodically identifies risk areas, evaluates their consequences, initiates risk mitigation strategies and implements corrective actions where required. The Audit Committee reviews the report on risk management on quarterly basis and recommends corrective actions for implementation. The risk assessment developed at APSEZL as per OHSAS 18001 standards are reviewed regularly or as and when any change in system/ process takes place or any incident takes place.

The Port Sector in India offers immense growth potential based on the anticipated growth in international trade and costal shipping in India. With increased vessel sizes, liners prefer ports with deep draft, longer quay, lengths, high mechanization and developed evacuation infrastructure. For an integrated ports development and operation like APSEZL, there are ample opportunities to grow organically as well as inorganically.

Management control, internal control and internal audit system and their adequacy:

The Company has put in place strong internal control systems and best in class processes commensurate with its size and scale of operations.

A well-established multidisciplinary Management Audit & Assurance Services (MA&AS) that consists of professionally qualified accountants, engineers and SAP experienced executives which carries out extensive audit throughout the year, across all functional areas and submits its reports to Management and Audit Committee about the compliance with internal controls and efficiency and effectiveness of operations and key processes risks.

Some Key Features of the Company's internal controls system are:

- Adequate documentation of Policies & Guidelines.
- Preparation & monitoring of Annual Budgets through monthly review for all operating & service functions.
- MA&AS department prepares Risk Based Internal Audit scope with the frequency of audit being decided by risk ratings of areas / functions. Risk based scope is discussed amongst MA&AS team, functional heads / process owners / CEO & CFO. The audit plan is formally reviewed and approved by Audit Committee of the Board.
- The entire internal audit processes are web enabled and managed on-line by Audit Management System.
- The Company has a strong compliance management system which runs on an online monitoring system.
- The Company has a well-defined delegation of power with authority limits for approving revenue & capex expenditure.
- The Company uses ERP system (SAP) to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information.
- Apart from having all policies, procedures and internal audit mechanism in place, Company periodically engages outside experts to carry out an independent review of the effectiveness of various business processes.
- Internal Audit is carried out in accordance with auditing standards to review design effectiveness of internal control system & procedures to manage risks, operation of monitoring control, compliance with relevant policies & procedure and recommend improvement in processes and procedure.

The Audit Committee of the Board of Directors regularly reviews execution of Audit Plan, the adequacy & effectiveness of internal audit systems, and monitors implementation of internal audit recommendations including those relating to strengthening of company's risk management policies & systems.

Human Resource Development:

APSEZL being the largest private port developer and operator is a premier workplace that attracts talent from all over the country. The Company provides a conducive work environment which motivates employees to put in their best efforts to achieve our ambitious targets and growth plans. Their talent and commitment fuel our vision to handle more than 330 MMT of volumes by the year 2021.

Human Resource Department is instrumental in building employees capabilities through structured talent acquisition and its development through need based training to address functional and leadership competencies. APSEZL enjoys harmonious employee relations which have been built over the years by taking various HR initiatives to enhance the employee morale. Our emphasis has been on grooming internal talent for future needs to achieve our long term business goals. In order to build a robust pipeline at Junior & Middle management, we have been inducting fresh talent in engineering and management from reputed colleges and management schools in India. In order to create a culture of learning we have designed bouquet of programs which caters to learning needs at all levels, special emphasis is being given on learning at any time by introducing best in class eLearning modules. To ensure culture of mutual trust and respect for all, we have launched 'Dignity of Labor' initiative across levels.

With all round focus on employee development, APSEZL is completely geared up to meet the future Business Challenges support overall growth strategy.

Standalone Financial Performance with respect to operation performance:

Your Company has recorded total income to the tune of ₹6,163.53 crore during the financial year 2016-17 compared to ₹5,791.94 crore in the corresponding previous financial year.

Net Block of fixed assets (including capital work-in-progress) of the Company as on March 31, 2017 is ₹9,847.69 crore as compared to ₹9,380.17 crore in the corresponding period in the previous year.

During the year, your Company generated earnings before interest, depreciation and tax (EBIDTA) of ₹5,032.50 crore as compared to ₹4,480.04 crore in the previous year.

Net profit for the financial year 2016-17 is ₹3,100.61 crore as compared to ₹2,964.50 crore in the previous financial year.

Earnings per share stood at ₹14.97 on face value of ₹2 each.

Consolidated Financial Performance of the Company:

Your Company has recorded total income to the tune of ₹9,479.46 crore during the financial year 2016-17 compared to ₹7,841.32 crore in the corresponding previous financial year.

During the year, your Company generated earnings before interest, depreciation and tax (EBIDTA) of ₹6,732.24 crore compared to ₹5,306.70 crore in the previous year.

Net profit for the financial year 2016-17 is ₹3,901.50 crore as compared to ₹2,855.90 crore in the previous financial year.

Earnings per share stood at ₹18.89 on face value of ₹2 each.

Cautionary Statement:

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations and others may constitute "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ from those expressed or implied. Several factors that could significantly impact the Company's operations include economic conditions affecting demand, supply and price conditions in the domestic and overseas markets, changes in the Government regulations, tax laws and other statutes, climatic conditions and such incidental factors over which the Company does not have any direct control.

The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Annexure to the Directors' Report

CORPORATE GOVERNANCE REPORT

1. Company's philosophy on code of governance

At Adani Group, Corporate Governance is about upholding the highest standards of integrity, transparency and accountability. Our governance standards are initiated by senior management which percolates down throughout the organization. We believe that retaining and enhancing stakeholder trust is essential for sustained corporate growth. We have engrained into our culture and into each associate the values of honesty and fairness. For us, adherence to Corporate Governance stems not only from the letter of law but also from our inherent belief in doing business the right way.

Tenets of our Corporate Governance Philosophy-

- **Courage:** we shall embrace new ideas and businesses
- **Trust:** we shall believe in our employees and other stakeholders
- **Commitment:** we shall stand by our promises and adhere to high standard of business

The Company has complied with all the requirements stipulated under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations"), as applicable, with regard to Corporate Governance and listed below is the status with regard to same.

2. Board of Directors

At the helm of the Company's Corporate Governance practice is its Board. The Board provides strategic guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholder's aspirations and societal expectations.

a) **Composition of the Board:**

The Board currently comprises of 8 (eight) Directors out of which 5 (five) Directors are Non-Executive Directors. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013. All the Independent Directors have confirmed that they meet the criteria as mentioned under regulation 16(1)(b) of the SEBI Listing Regulations and Section 149 of the Companies Act, 2013. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

No Director is related to each other except Mr. Gautam S. Adani and Mr. Rajesh S. Adani, who are related to each other as brothers and Mr. Karan Adani who is son of Mr. Gautam S. Adani.

None of the Directors on the Company's Board is a Member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across all the companies in which he/she is Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than 10 (ten) public companies as on March 31, 2017.

The following composition of the Board of Directors is as on May 24, 2017 and number of other Directorship & Memberships / Chairmanships of Committees as on March 31, 2017:

Name and DIN of Director	Category of Directorship	Directorship in other Companies[2]	Details of Committee[3]	
			Chairman	Member
Mr. Gautam S. Adani (Chairman & Managing Director) DIN: 00006273	Promoter & Executive Director	4	-	-
Mr. Rajesh S. Adani DIN: 00006322	Promoter & Non-Independent Director	7	2	5
Dr. Malay Mahadevia DIN: 00064110	Executive Director	4	1	1
Prof. G. Raghuram DIN: 01099026	Independent & Non Executive Director	3	-	-
Mr. G. K. Pillai DIN: 02340756	Independent & Non Executive Director	4	1	2
Mr. Sanjay Lalbhai DIN: 00008329	Independent & Non Executive Director	5	1	1
Ms. Radhika Haribhakti DIN: 02409519	Independent & Non Executive Director	5	-	4
Mr. Karan Adani DIN: 03088095[1]	Executive Director	N.A.	N.A	N.A

[1] Appointed as an Additional Director & Whole Time Director w.e.f May 24, 2017

[2] Excluding Private Limited Companies, which are not the subsidiaries of Public Limited Companies, Foreign Companies, LLP, Section 8 Companies and Alternate Directorships.

[3] Includes only Audit Committee and Stakeholders' Relationship Committee.

b) **Board Meeting and Procedure:**

During the year under review, Board met five times on May 3, 2016, July 2, 2016, August 9, 2016, October 25, 2016 and February 14, 2017. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 days.

The required information as enumerated in Part-A of Schedule II to SEBI Listing Regulations is made available to the Board of Directors for discussions and consideration at every Board Meeting. The agenda and the papers for consideration at the Board Meeting are circulated to the Directors in advance. Adequate information is circulated as part of the Board Papers and is also available at the Board Meeting to enable the Board to take decisions. As required under Regulation 17(3) of SEBI Listing Regulations, the Board periodically reviews compliances of various laws applicable to the Company.

Detailed presentations are made at the Board / Committee meetings covering finance and operations of the Company, global business environment, all business areas of the Company including business opportunities, business strategy and the risk management practices before taking on record the quarterly / half yearly / annual financial results of the Company.

The important decisions taken at the Board / Committee meetings are communicated to departments concerned promptly. Action taken report on the decisions taken at the meeting(s) is placed at the immediately succeeding meeting of the Board / Committee for noting by the Board / Committee.

The Companies Act, 2013 read with the relevant rules made thereunder, now facilitates the participation of a Director in Board/Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors except in respect of such Meetings/ Items which are not permitted to be transacted through video conferencing.

The attendance of each Director at the Board Meetings and last Annual General Meeting held during the year under review are as under:

Name of Director	Meetings		Attendance at last AGM held on August 9, 2016
	Held during the tenure	Attended	
Mr. Gautam S. Adani	5	5	Yes
Mr. Rajesh S. Adani	5	3	Yes
Dr. Malay Mahadevia	5	4	Yes
Prof. G. Raghuram	5	5	Yes
Mr. G. K. Pillai	5	5	Yes
Mr. Sanjay Lalbhai	5	2	Yes
Ms. Radhika Haribhakti	5	5	Yes
Mr. A. K. Rakesh, IAS[1]	3	-	No

[1] Ceased as Director w.e.f September 7, 2016

c) **Code of Conduct:**

The Board has laid down a Code of Business Conduct and Ethics (the "Code") for all the Board Members and Senior Management of the Company. The Code is available on the website of the Company www.adaniports.com. All Board Members and Senior Management Personnel have affirmed compliance of the Code of Conduct. A declaration signed by the Chief Executive Officer to this effect is attached at the end of this report.

The Board has also adopted separate code of conduct with respect to duties of Independent Directors as per the provisions of the Companies Act, 2013.

d) **Disclosures regarding appointment/re-appointment of Directors:**

Mr. Rajesh S. Adani, Director is retiring at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Board of Directors had reappointed Mr. Gautam S. Adani as Managing Director of the Company for further period of five years w.e.f July 1, 2017 and appointed Mr. Karan Adani as Whole Time Director of the Company for a period of five years w.e.f May 24, 2017, subject to the approval of shareholders at the ensuing Annual General Meeting.

The brief resume and other information required to be disclosed under this section is provided in the Notice convening the Annual General Meeting.

3. Committees of the Board

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of the diverse matters. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the Board for review.

A) Audit Committee:

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report.

a) **Constitution & Composition of Audit Committee:**

The Audit Committee of the Company was constituted on September 22, 2001 and subsequently reconstituted from time to time to comply with statutory requirement.

During the year under review, Audit Committee met four times on May 3, 2016, August 8, 2016, October 25, 2016 and February 14, 2017. The intervening gap between two meetings did not exceed four months.

The Composition of the Audit Committee and details of attendance of the members at the committee meetings during the year are given below:

Name and designation	Category	No. of Meetings	
		Held during the tenure	Attended
Prof. G. Raghuram, Chairman	Non-Executive & Independent Director	4	4
Mr. Rajesh S. Adani, Member	Non-Executive & Non-Independent Director	4	3
Ms. Radhika Haribhakti, Member	Non-Executive & Independent Director	4	4

The Chief Financial Officer, representatives of Statutory Auditors, Internal Audit and Finance & Accounts department are invited to the meetings of the Audit Committee.

Ms. Dipti Shah, Company Secretary and Compliance Officer act as Secretary of the Committee. The Chairman of the Committee was present at the last Annual General Meeting held on August 9, 2016.

The Committee discharges such duties and functions generally indicated in the SEBI Listing Regulations and Section 177 of the Companies Act, 2013 and such other functions as may be specifically delegated to the Committee by the Board from time to time.

b) **Broad Terms of reference:**

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under SEBI Listing Regulations and Section 177 of the Companies Act, 2013. The brief terms of reference of Audit Committee are as under:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
    b. Changes, if any, in accounting policies and practices and reasons for the same
    c. Major accounting entries involving estimates based on the exercise of judgment by management
    d. Significant adjustments made in the financial statements arising out of audit findings
    e. Compliance with listing and other legal requirements relating to financial statements
    f. Disclosure of any related party transactions
    g. Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of Information by Audit Committee:

1. The management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management.
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

B) Nomination and Remuneration Committee:

a) Constitution & Composition of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Company was constituted on September 3, 2005 and subsequently reconstituted from time to time to comply with statutory requirement.

During the year under review, Nomination and Remuneration Committee met two times on May 3, 2016 and October 25, 2016.

The composition of the Nomination and Remuneration Committee and details of meetings attended by the members are given below:

Name and designation	Category	No. of Meetings	
		Held during the tenure	Attended
Prof. G. Raghuram, Chairman	Non-Executive & Independent Director	2	2
Mr. Rajesh S. Adani, Member	Non-Executive & Non-Independent Director	2	1
Ms. Radhika Haribhakti, Member	Non-Executive & Independent Director	2	2

b) Brief Terms of reference:

The powers, role and terms of reference of Committee covers the areas as contemplated under the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. The brief terms of reference of Nomination and Remuneration Committee are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
5. To recommend / review remuneration of the Managing Director(s) and Whole-time Director(s)/ Executive Director(s) based on their performance and defined assessment criteria.

6. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

c) **Remuneration Policy:**

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Company endeavours to attract, retain, develop and motivate the high-calibre executives and to incentivize them to develop and implement the Group's Strategy, thereby enhancing the business value and maintain a high performance workforce. The policy ensures that the level and composition of remuneration of the Directors is optimum.

i. **Remuneration to Non-Executive Directors:**

The remuneration by way of commission to the non-executive directors is decided by the Board of Directors. The members at the Annual General Meeting held on August 11, 2015 approved the payment of remuneration by way of commission to the non-executive directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act, 2013 for a period of 5 years commencing April 1, 2015. In addition to commission, non-executive directors are paid ₹20,000 as sitting fees and actual reimbursement of expenses incurred for attending each meeting of the Board and Committee.

The Company has also taken a Directors' & Officers' Liability Insurance Policy.

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

ii. **Remuneration to Executive Directors:**

The remuneration of the Executive Directors is recommended by the Nomination and Remuneration Committee to the Board based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro-economic review on remuneration packages of heads of other organisations. On the recommendation of the Nomination and Remuneration Committee, the remuneration paid/ payable is approved by the Board of Directors and by the members in the General Meeting in terms of provisions applicable from time to time.

d) **Details of Remuneration:**

i) **Non-Executive Directors:**

The details of sitting fees and commission paid to Non-Executive Directors during the financial year 2016-17 are as under:

(₹in Lakhs)

Name	Commission	Sitting Fees	Total
Mr. Rajesh S. Adani	-	5.00	5.00
Prof. G. Raghuram	12.00	3.00	15.00
Mr. G. K. Pillai	12.00	1.00	13.00
Mr. Sanjay Lalbhai	-	0.80	0.80
Ms. Radhika Haribhakti	12.00	3.00	15.00
Mr. A. K. Rakesh, IAS (GMB Nominee)[1]	-	-	-

[1] Ceased as Director w.e.f September 7, 2016

Other than sitting fees and commission paid to Non-Executive Directors, there were no pecuniary relationships or transactions by the Company with any of the Non-Executive Directors of the Company. The Company has not granted stock options to Non-Executive Directors.

ii) **Executive Directors:**

Details of remuneration paid/payable to Chairman & Managing Director and Whole Time Director during the financial year 2016-17 are as under:

(₹in Lakh)

Name	Salary	Perquisites, Allowances & other Benefits	Commission*	Total
Mr. Gautam S. Adani	180.00	-	100.00	280.00
Dr. Malay Mahadevia	184.75	925.52	-	1110.27

*Payable in financial year 2017-18

iii) **Details of shares of the Company held by Directors as on March 31, 2017 are as under:**

None of Directors of the Company holds equity shares of the Company in their individual capacity. The Company does not have any Employees' Stock Option Scheme and there is no separate provision for payment of Severance Fees.

C) Stakeholders Relationship Committee:

a) Constitution & Composition of Stakeholders Relationship Committee:

The Stakeholders Relationship Committee of Directors was constituted on January 30, 2007 and subsequently reconstituted from time to time to comply with statutory requirement.

During the year under review, Stakeholders Relationship Committee met four times on May 3, 2016, August 8, 2016, October 25, 2016 and February 14, 2017.

The composition of the Stakeholders Relationship Committee and details of meetings attended by the members are given below:

Name and designation	Category	No. of Meetings	
		Held during the tenure	Attended
Mr. Rajesh S. Adani, Chairman	Non-Executive & Non-Independent Director	4	3
Prof. G. Raghuram, Member	Non-Executive & Independent Director	4	4
Ms. Radhika Haribhakti, Member	Non-Executive & Independent Director	4	4

Ms. Dipti Shah, Company Secretary and Compliance Officer act as secretary of the Committee.

b) Brief terms of reference:

The brief terms of reference of Stakeholders Relationship Committee are as under:

1. To look into the redressal of shareholders and investors complaints like transfer of shares, non-receipt of Annual Report, non-receipt of declared dividend, revalidation of dividend warrant or refund order etc.
2. To consider and resolve the grievances of security holders of the company.

c) Details of complaints received and redressed during the year:

Opening Balance	During the year		Pending Complaints
	Received	Resolved	
1	45	46	Nil

All complaints have been resolved to the satisfaction of shareholders.

D) Transfer Committee:

a) Constitution & Composition of Transfer Committee

The Transfer Committee of the Company was constituted on September 25, 2000 and subsequently reconstituted from time to time to comply with statutory requirement.

During the year under review, Transfer Committee met three times on June 2, 2016, June 22, 2016 and October 29, 2016.

The composition of the Transfer Committee and details of meetings attended by the members of the Transfer Committee are given below:

Name and designation	Category	No. of Meetings	
		Held during the tenure	Attended
Mr. Gautam S. Adani, Chairman	Executive Director	3	3
Mr. Rajesh S. Adani, Member	Non-Executive & Non-Independent Director	3	1
Dr. Malay Mahadevia, Member	Executive Director	3	2

b) **Brief terms of reference:**

1. To approve and register transfer and/or transmission of equity and preference shares and debentures.
2. To subdivide, consolidate and issue equity and preference share certificates and/or debenture certificate on behalf of the Company.
3. To affix or authorise fixation of common seal of the Company on the equity, preference share certificates and debenture certificate of the Company.
4. To issue duplicate equity and preference share certificates and debenture certificate.
5. To apply for dematerialization of the equity, preference shares and debentures.
6. To do all such acts, deeds or things as may be necessary or incidental to the exercise of above powers.

E) Sustainability and Corporate Social Responsibility Committee::

a) **Constitution & Composition of Committee:**

The Company has constituted a Committee as required under Section 135 of the Companies Act, 2013 read with rules made thereunder.

During the year under review, the nomenclature of "Corporate Social Responsibility Committee" was changed to "Sustainability and Corporate Social Responsibility Committee".

During the year under review, Committee met two times on April 27, 2016 and October 24, 2016.

The composition of the Committee and details of meetings attended by the members of the Committee are given below:

Name and designation	Category	No. of Meetings	
		Held	Attended
Mr. Rajesh S. Adani, Chairman	Non-Executive & Non-Independent Director	2	2
Dr. Malay Mahadevia, Member	Executive Director	2	2
Mr. Sanjay Lalbhai, Member	Non-Executive & Independent Director	2	1

The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013

b) **Terms of reference of the Committee, inter alia, includes the following:**

1. To review from time to time Corporate Social Responsibility (CSR) policy in the light of emergent situation and statutory frame work;
2. To recommend the amount of investment to be made on CSR activities;
3. To monitor the implementation of CSR policy and review overall performance in CSR Programmes;
4. To review from time to time Sustainability policy in the global context and evolving statutory frame work such as BRR;
5. To review overall Sustainability performance and Sustainability Reporting of the Company;
6. To review from time to time different aspect of Sustainability Performance such as ethical governance, environmental stewardship, safety performance at sites, water and energy use etc.; and
7. The authority to decide on Disclosure on Management Approach in Sustainability Reporting and to steer Sustainability Performance is hereby delegated to CEO of the Company.

c) **CSR Policy:**

The CSR Policy of the Company is available on the website of the Company at http://www.adaniports.com/sustainability/policies.

F) Risk Management Committee:

The Risk Management Committee of the Company was constituted on October 1, 2014 and subsequently reconstituted from time to time to comply with statutory requirement.

During the year under review, Risk Management Committee met two times on April 27, 2016 and October 24, 2016.

The composition of the Committee and details of meetings attended by the members of the Committee are given below

Name	Category	No. of Meetings	
		Held during the tenure	Attended
Mr. Rajesh S. Adani	Chairman	2	2
Mr. Sanjay Lalbhai	Member	2	1
Dr. Malay Mahadevia	Member	2	2
Capt. Unmesh Abhyankar	Member	2	2
Mr. B. Ravi	Member	2	2

The Company has a risk management framework to identify, monitor and minimize risks.

The Company Secretary act as a Secretary to the Committee.

4. Subsidiary Companies:

None of the subsidiaries of the Company come under the purview of the material non-listed subsidiary as per criteria given in Regulation 16(1)(c) of SEBI Listing Regulations. The Audit Committee of the Company reviews the financial statements and investments made by unlisted subsidiary companies and the minutes of the unlisted subsidiary companies are placed at the Board Meeting of the Company.

The Company has a policy for determining 'material subsidiaries' which is uploaded on the website of the Company at http://www.adaniports.com/investors/investor-download.

5. Whistle Blower Policy:

The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit Committee. The said policy is uploaded on the website of the Company at http://www.adaniports.com/investors/investordownload. During the year under review, there was no case of whistle blower.

6. General Body Meetings:

a) **Annual General Meetings:**

The date, time and location of the Annual General Meetings held during the preceding 3 years and special resolutions passed thereat are as follows:

Financial Year	Date	Location of Meeting	Time	No. of special resolutions passed
2013-14	09-08-2014	J. B. Auditorium, Ahmedabad Management Association, AMA Complex, Atira, Dr. Vikram Sarabhai Marg, Ahmedabad-380015.	9.30 a.m	7
2014-15	11-08-2015	J. B. Auditorium, Ahmedabad Management Association, AMA Complex, Atira, Dr. Vikram Sarabhai Marg, Ahmedabad-380015.	9.30 a.m.	6
2015-16	09-08-2016	J. B. Auditorium, Ahmedabad Management Association, AMA Complex, Atira, Dr. Vikram Sarabhai Marg, Ahmedabad-380015.	10.30 a.m.	3

b) **NCLT Convened Meeting of Equity Shareholders, Preference Shareholders, Secured Creditors and Unsecured Creditors of the Company:**

In accordance with the final order dated May 18, 2017 passed by the Hon'ble National Company Law Tribunal Bench at Ahmedabad, the meetings of the Equity Shareholders, Preference Shareholders, Secured Creditors and Unsecured Creditors of the Company will be convened on Tuesday, June 27, 2017 at 10.00 a.m., 11.00 a.m., 12:00 noon and 1:00 p.m. respectively at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380015 to consider and approve the Scheme of Arrangement between Adani Ports and Special Economic Zone Limited and The Adani Harbour Services Private Limited and their respective shareholders and creditors under Sections 230-232 of the Companies Act, 2013.

c) **Whether special resolutions were put through postal ballot last year, details of voting pattern:**

No

d) **Whether any resolutions are proposed to be conducted through postal ballot:**

No Special Resolution requiring a postal ballot is being proposed at the ensuing Annual General Meeting of the Company.

e) **Procedure for postal ballot:**

Prescribed procedure for postal ballot as per the provisions contained in this behalf in the Companies Act, 2013 read with rules made there under as amended from time to time shall be complied with whenever necessary.

7. Means of Communication:

The quarterly, half-yearly and annual results are published in widely circulating national and local dailies such as 'The Indian Express' in English and 'Financial Express' in Gujarati. These results are not sent individually to the shareholders but are put on the website of the Company.

The Company's financial results, press release, official news and presentations to investors are displayed on the Company's web site www.adaniports.com.

At the end of each quarter, the Company organizes meetings / conference call with analysts and investors and the presentations made to analysts and transcripts of earnings calls are uploaded on the website thereafter.

Your Company has maintained consistent communication with investors at various forums organized by investment bankers and by organizing investors visit to the port and SEZ site.

8. General Shareholders Information:

a) **Company Registration details:**

The Company is registered in the State of Gujarat, India. The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs is L63090GJ1998PLC034182.

b) **Date, time and venue of the 18th Annual General Meeting:**

Wednesday, the August 9, 2017 at 9.30 a.m. at J. B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikaram Sarabhai Marg, Ahmedabad - 380015.

c) **Registered Office:**

"Adani House", Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009.

d) **Financial Year:**

Financial year is 1st April to 31st March and financial results will be declared as per the following schedule.

Particulars	:	Tentative Schedule
Quarterly Results	:	
Quarter ending on June 30, 2017	:	Mid August, 2017
Quarter ending on September 30, 2017	:	Mid November, 2017
Quarter ending on December 31, 2017	:	Mid February, 2018
Annual Result of 2017-18	:	End May, 2018

e) **Book closure date:**

The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, August 2, 2017 to Wednesday, August 9, 2017 (both days inclusive) for the purpose of entitlement of dividend and 18th Annual General Meeting.

f) **Divined payment date:**

Dividend, if declared, shall be paid to all the eligible shareholders on or after August 10, 2017.

g) **Dividend Distribution Policy:**

As per Regulation 43A of the SEBI Listing Regulations, the top 500 listed companies shall formulate a dividend distribution policy. Accordingly, the policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The Dividend Distribution Policy of the Company is available on the website of the Company at http://www.adaniports.com/investors/investor-download.

h) **Unclaimed Shares Lying in the Escrow Account:**

The Company entered the Capital Market with initial public offer through 100% book building process for 4,02,50,000 equity shares of ₹10 each at a premium of ₹430 per share. In light of SEBI's notification No. SEBI/CFD/DIL / LA/2009/24/04 on April 24, 2009, the Company has opened separate demat account in the name of "Adani Ports and Special Economic Zone Limited – IPO Escrow Account" in order to credit the unclaimed shares which could not be allotted to the rightful shareholder due to insufficient/ incorrect information or any other reason. The voting rights in respect of the said shares are frozen till the time rightful owner claims such shares. Details of shares in Adani Ports and Special Economic Zone Limited - IPO Escrow Account are as under:

Sr No	Particulars	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares in the suspense account lying in IPO Escrow Account as on April 1, 2016	361	27075
(ii)	Number of shareholders who approached issuer for transfer of shares from suspense account during the year	22	1650
(iii)	Number of shareholders to whom shares were transferred from suspense account during the year	22	1650
(iv)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	339	25425

i) **Listing on Stock Exchanges**

The Company's shares are listed on the following stock exchanges

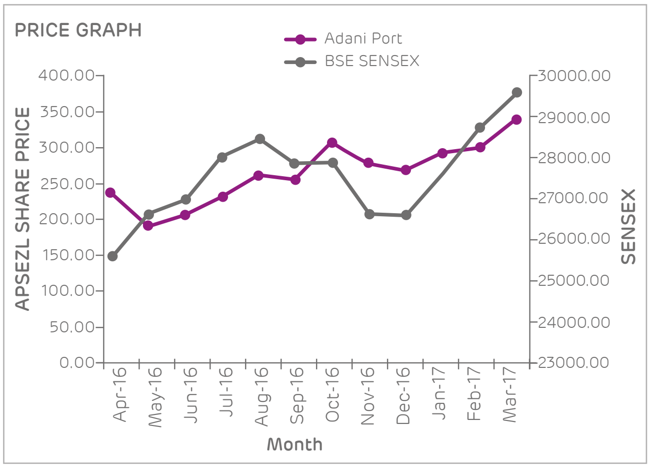
Name of Stock Exchange	Address	Code
BSE Limited (BSE)	Floor 25, P. J Towers, Dalal Street, Mumbai - 400 001	532921
National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	ADANIPORTS

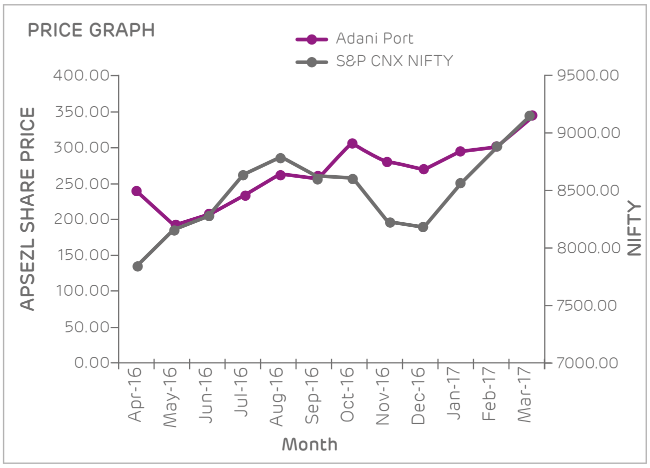
Annual listing fees for the year 2017-18 have been paid by the Company to BSE and NSE

j) **Market Price Data:**

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2016	249.75	214.95	249.45	214.70
May, 2016	242.20	170.15	242.45	169.70
June, 2016	211.90	192.00	211.90	192.50
July, 2016	233.00	204.00	233.50	203.80
August, 2016	279.40	221.50	279.70	221.50
September, 2016	277.70	249.55	277.70	249.10
October, 2016	317.00	248.60	317.00	248.10
November, 2016	308.30	246.00	308.00	245.15
December, 2016	291.90	257.25	291.65	257.25
January, 2017	308.95	267.20	308.95	267.00
February, 2017	315.80	294.00	315.90	293.65
March, 2017	342.00	291.75	342.70	291.00

k) Performance of the share price of the Company in comparison to BSE Sensex and S&P CNX NIFTY





l) **Registrar & Transfer Agents:**

Name & Address	:	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg Vikhroli (West), Mumbai - 400 083
Tel.	:	+91-22-4918 6270
Fax.	:	+91-22-4918 6060
E-mail	:	rnt.helpdesk@linkintime.co.in
Website	:	www.linkintime.co.in

m) **Transfer to Investor Education and Protection Fund (IEPF):**

In terms of Section 125 of the Companies Act, 2013, the amount that remained unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

During the year under review, the unclaimed dividend amount for the year 2008-09 (final) and 2009-10 (interim) was transferred to the IEPF established by the Central Government under applicable provisions of the Companies Act.

The Company had also given newspaper advertisement on December 3, 2016, regarding proposed transfer of shares to the IEPF Suspense Account in respect of which dividend has not been paid or claimed for seven consecutive years by the respective shareholders. The Company had uploaded the details of such shareholders and shares due for transfer to the IEPF Suspense Account on its website at www.adaniports.com and also sent individual communication to such shareholders. Accordingly, in case the Company does not receive any communication from the concerned shareholder, the Company shall transfer the shares to the IEPF Suspense Demat account by the due date as per the procedure stipulated in the IEPF Rules.

n) **Share Transfer Procedure:**

All the transfers are processed by the Registrar and Share Transfer Agent and are approved by the Transfer Committee.

Pursuant to Regulation 40(9) of the SEBI Listing Regulations with the stock exchanges, the Company obtains a Certificate from a Practising Company Secretary on half yearly basis, for due compliance of share transfer formalities. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, a certificate have also been obtained from a Practising Company Secretary for timely dematerialization of the shares of the Company and for conducting secretarial audit on a quarterly basis for reconciliation of the share capital of the Company. The Company files copy of these certificates with the stock exchange as required.

o) Shareholding as on March 31, 2017:

(a) Distribution of Shareholding as on March 31, 2017:

No. of shares	No. of shares	% to Shares	Total no. of accounts	% to total accounts
1-500	2,48,96,475	1.22	2,82,712	95.81
501-1000	46,21,440	0.22	6,194	2.09
1001-2000	38,22,793	0.18	2,632	0.89
2001-3000	24,00,003	0.12	947	0.32
3001-4000	15,28,779	0.07	435	0.15
4001-5000	15,05,014	0.07	323	0.11
5001-10000	45,12,637	0.22	637	0.21
10001 & above	202,76,64,620	97.90	1,197	0.41
Total	**207,09,51,761**	**100.00**	**2,95,077**	**100.00**

(b) Shareholding Pattern as on March 31, 2017:

Category	No. of shares held		Total No. of Shares	% of Holding
	Physical	Electronic		
Promoter Holding	-	1,26,95,50,877	1,26,95,50,877	61.30
Mutual Funds	-	7,64,31,754	7,64,31,754	3.69
Banks/FI/Central Govt./ State Govt./ Trusts & Insurance Companies	-	9,46,34,016	9,46,34,016	4.57
Foreign Institutional Investors / Portfolio Investor	-	52,60,32,432	52,60,32,432	25.40
NRI/Foreign Nationals	-	87,93,522	87,93,522	0.42
Foreign Companies	-	59,679	59,679	0.00
Other Corporate Bodies	5,648	3,14,04,868	3,14,10,516	1.52
Clearing Member	-	37,26,980	37,26,980	0.18
Indian Public/HUF	6,27,736	5,96,84,249	6,03,11,985	2.91
Total	**6,33,384**	**207,03,18,377**	**2,07,09,51,761**	**100.00**

p) **Dematerialization of Shares and Liquidity:**

The Company's shares are compulsorily traded in dematerialized form. Equity shares of the Company representing 99.97% of the Company's share capital are dematerialized as on March 31, 2017.

The Company's shares are regularly traded on the 'BSE Limited' and 'National Stock Exchange of India Limited'.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE742F01042.

q) **Listing of Debt Securities:**

The Secured Redeemable Non-Convertible Debentures issued on private placement basis by the Company are listed on the Wholesale Debt Market (WDM) of BSE Limited.

r) **Debenture Trustees (for privately placed debentures):**

i) **IDBI Trusteeship Services Limited**
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai - 400001
Phone No. +91-22-4080 7000
Fax: +91-22-6631 1776
E-mail ID: itsl@idbitrustee.com
Website: www.idbitrustee.com

ii) **Axis Trustee Services Limited**
Axis House, 2nd Floor "E",
Unit No.C-2, Wadia International Centre,
Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400025
Phone No. +91-22-2425 5215
Fax: +91-22-4325 3000
E-mail ID: debenturetrustee@axistrustee.com
Website: www.axistrustee.com

s) **Outstanding GDRs/ADRs/Warrants or any convertible instrument, conversion and likely impact on equity:** Nil

t) **Commodity Price Risk/Foreign Exchange Risk and Hedging:**

In the ordinary course of business, the Company is exposed to risks resulting from exchange rate fluctuation and interest rate movements. It manages its exposure to these risks through derivative financial instruments. The Company's risk management activities are subject to the management, direction and control of Treasury Team of the Company under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Company. The Company's 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.

u) **Site location:**

"Adani House", Navinal Island, Mundra - 370 421, Kutch, Gujarat

v) **Address for Correspondence:**

Ms. Dipti Shah,
Company Secretary & Compliance Officer
"Adani House", Nr. Mithakhali Six Roads,
Navrangpura, Ahmedabad - 380 009
Tel.: +91- 79- 2656 5555 | Fax: +91- 79- 2656 5500
E-mail: investor.apsezl@adani.com

For transfer/dematerialization of shares, change of address of members and other queries.

Link Intime India Private Limited
C-101, 247 Park, L B S Marg, Vikhroli West,
Mumbai - 400083
Tel. : +91-22-4918 6270 | Fax.: +91-22-4918 6060
E-mail : rnt.helpdesk@linkintime.co.in

w) **Non-mandatory Requirements:**

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

1. **The Board:**

   Your Company has an Executive Chairman and hence, the need for implementing this non mandatory requirement does not arise.

2. **Shareholders Right:**

   The quarterly, half-yearly and annual financial results of your Company are published in newspapers and posted on Company's website www.adaniports.com. The same are also available on the sites of stock exchanges where the shares of the Company are listed i.e. www.bseindia.com and www.nseindia.com.

3. **Modified opinion(s) audit report:**

   The Company already has a regime of unqualified financial statements. Auditors have raised no qualification on the financial statements.

4. **Separate posts of Chairperson and Chief Executive Officer:**

   Mr. Gautam S. Adani is a Chairman and Mr. Karan Adani is a CEO & WTD of the Company.

5. **Reporting of Internal Auditor:**

   The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members.

9. Disclosures:

a) There were no materially significant Related Party Transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large. The details of Related Party Transactions are disclosed in financial section of this Annual Report. The Company has developed a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The Company has developed a Related Party Transaction Policy which is uploaded on the website of the Company at http://www.adaniports.com/investors/investor-download

b) In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.

c) There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority.

d) The Chief Executive Officer and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2017 in compliance with Regulation 17(8) of SEBI Listing Regulations. They have also provided quarterly certificates on financial results while placing the same before the Board pursuant to Regulation 33 of SEBI Listing Regulations.

e) A qualified Practising Company Secretary carried out a reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit confirms that the total issued/paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

f) The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

g) Details of the familiarization programmes imparted to the independent directors are available on the website of the company at http://www.adaniports.com/investors/investor-download

h) With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

i) The company has put in place succession plan for appointment to the Board and to senior management.

j) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations. It has obtained a certificate affirming the compliances from Practising Company Secretary, CS Ashwin Shah and the same is attached to this Report.

k) As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking re-appointment at the forthcoming AGM are given herein and in the Annexure to the Notice of the 18th AGM to be held on August 9, 2017.

DECLARATION

I, Karan Adani, Chief Executive Officer of Adani Ports and Special Economic Zone Limited hereby declare that as of March 31, 2017, all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for Board of Directors and Senior Management Personnel laid down by the Company.

For Adani Ports and Special Economic Zone Limited

Place: Ahmedabad
Date: May 24, 2017

Karan Adani
Chief Executive Officer

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Adani Ports and Special Economic Zone Limited

We have examined the compliance of Corporate Governance by Adani Ports and Special Economic Zone Limited ("the Company") for the year ended on March 31, 2017 as stipulated in applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

CS Ashwin Shah
Company Secretary
C. P. No. 1640

Place: Ahmedabad
Date: May 24, 2017

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATION

The Board of Directors
Adani Ports and Special Economic Zone Limited

We, Karan Adani, Chief Executive Officer and B. Ravi, Chief Financial Officer of Adani Ports and Special Economic Zone Limited ("the Company"), to the best of our knowledge and belief, hereby certify that;

a) We have reviewed the financial statements and the cash flow statements of the Company for the year ended March 31, 2017 and:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are no transactions entered into by the Company during the year ended March 31, 2017, which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company and we have:

   i) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   ii) designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements of external purpose in accordance with Indian Accounting Standards (Ind AS);

   iii) evaluated the effectiveness of the Company's disclosure, controls and procedure;

   iv) disclosed in this report, changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected or is reasonable likely to materially affect, the Company's internal contrail over financial reporting.

d) We have indicated to the Auditors and the Audit Committee, wherever applicable:

   i) significant changes, if any, in internal control over financial reporting during the year;

   ii) all significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements;

   iii) there have been no instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Ahmedabad	**Karan Adani**	**B. Ravi**
Date: May 24, 2017	*Chief Executive Officer*	*Chief Financial Officer*

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1. Corporate Identity Number (CIN)	:	L63090GJ1998PLC034182
2. Name of the Company	:	Adani Ports and Special Economic Zone Limited
3. Registered Address	:	"Adani House", Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad 380009 Gujarat, India
4. Website	:	www.adaniports.com
5. Email id	:	investor.apsezl@adani.com
6. Financial year reported	:	April 1, 2016 to March 31, 2017

7. Sector(s) that the Company is engaged in (industrial activity code-wise):
   Service category (ITC 4 digit) code 9967
   Service category (ITC 8 digit) code 99675111
   Description of service category Port Services
   As per National Industrial Classification - Ministry of Statistics and Programme Implementation.

8. List three key products that the Company manufactures/provides (as in balance sheet).
   The company is in the business of development, operations and maintenance of port infrastructure facilities and linked multi product Special Economic Zone (SEZ) and related infrastructure contiguous to Mundra Port.

9. Total number of locations where business activity is undertaken by the Company.
   The Company's main business activity is undertaken at Mundra Port (in Kutch, Gujarat).

   Adani Ports and Special Economic Zone Limited operates a dry bulk terminal at the ports of Dahej & Kandla in Gujarat and at port of Dhamra in east coast, a bulk and container handling terminal at the port of Hazira, Gujarat and coal handling terminals at the ports of Mormugao, Goa and Visakhapatnam, Andhra Pradesh. The Company is developing a container terminal at the port of Ennore & Kattupalli, Tamil Nadu and Vizhinjam Port, Kerala.

10. Markets served by the Company : State, National, International

Section B: Financial Details of the Company

1. Paid up capital (INR)	:	₹ 417.00 crore
2. Total turnover (INR)	:	₹ 6,163.53 crore
3. Total profit after taxes (INR)	:	₹ 3,100.61 crore

4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax:
   The Company has spent ₹47.78 crore on CSR activities. This amounts to 2% of average profit for the previous three years in respect of standalone financial statements.

5. List of activities in which expenditure in 4 above has been incurred.
   The major activities in which Corporate Social Responsibility was undertaken are Education, Community Health, Sustainable Livelihood Development and Rural Infrastructure Development.

Section C: Other Details

1. Does the Company have any subsidiary company / companies?
   Yes, the Company has 26 subsidiary companies (including step-down subsidiaries) as on March 31, 2017

2. Do the subsidiary company / companies participate in the Business Responsibility (BR) initiatives of the parent Company?
   Business Responsibility initiatives of the parent company are applicable to the subsidiary companies to the extent that they are material in relation to the business activities of the subsidiaries.

3. Do any other entity / entities that the Company does business with participate in the BR initiatives of the Company?
   No other entity / entities participate in the BR initiatives of the Company.

Section D: BR Information

1. **Details of Director / Directors responsible for BR:**
   a) **Details of the Director / Directors responsible for implementation of the BR policy/ policies:**
      DIN Number : 00064110
      Name : Dr. Malay Mahadevia
      Designation : Whole Time Director

   b) **Details of the BR head:**
      DIN Number (if applicable):
      Name: Capt. Unmesh Abhyankar
      Designation: Joint President - CEO office
      Telephone Number: 079 – 25555185
      Email id: unmesh.abhyankar@adani.com

2. **Principle-wise (as per NVGs) BR Policy / policies (Reply in Y/N):**

Sr. No.	Questions	Business Ethics	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for...	Y	Y*	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify?	All the policies are compliant of respective principles of NVG guidelines								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	-	-	-	-	-	-	-	-
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.adaniports.com/sustainability/policies								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal Stakeholders. The communication is an ongoing process to cover all internal and external stakeholders.								
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	-	Y	-	-	-

*While the Company does not manufacture any products, the policy addresses the aspects of health, safety and environmental protection in the Company's operations and services.

2.a. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options):

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principle	Not Applicable								
2	The Company is not at stage where it finds itself in a position to formulate and implement the policies on specified principle									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next six month									
5	It is planned to be done within next one year									
6	Any other reason (please specify)									

3. **Governance related to BR:**

   (i) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

   The Company's Business Responsibility performance is assessed annually.

   (ii) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

   This report comprises the Company's 5th Business Responsibility Report as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business (NVG) which is published as a part of Annual Report. The company has published its first sustainability report FY 2015-16 in October, 2016. The report link is http://www.adaniports.com/docs/SustainabilityReport2015-16.

Section E: Principle-wise Performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group /Joint Ventures /Suppliers /Contractors /NGOs / Others?

   The Company has adopted a Code of Conduct for its Directors and Senior Management. Additionally, the Policy on Code of Conduct for employees applies to all employees of Adani Group companies. It does not extend to other entities.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   No stakeholder complaints pertaining to the above codes were received during the financial year.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   The Company does not manufacture any product. However, several of our port operations have incorporated energy efficiency and conservation activities which are described under Principle 6 in this section of the Business Responsibility Report.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional).

   I. Reduction during sourcing / production / distribution achieved since the previous year through the value chain:

   The Company does not manufacture any product, hence this is not applicable.

   II. Reduction during usage by consumers (energy, water) achieved since the previous year?

   The Company does not manufacture any product, hence this is not applicable.

However, the Company is constantly striving for energy efficiency enhancement for its cargo handling activities.

The Company has taken water conservation initiatives such as installation of waterless urinal at its Mundra, Hazira & Dahej locations. The Company has achieved approx. 5% water reduction for its cargo handling and other operational activities at Mundra Port.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

   The Company does not have any manufacturing operations; hence procurement is not a material aspect to its business.

4. Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

   The Company encourages procurement of goods from locally based vendors, thereby creating indirect economic impact in the surrounding region. Additionally, the Company also procures various services (civil work, man power supply, maintenance work etc) from local contractors, which has led to creation of employment opportunities and skill development of the local population.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? If yes, what is the percentage of recycling of products and waste (Separately as < 5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   The Company does not manufacture any products and the issue of recycle product does not arise. However, the Company complies with all applicable regulatory requirements pertaining to waste disposal as prescribed by the regulatory agencies. The Company is providing cargo handling and logistic services and the waste generated are mostly non-hazardous and hazardous category. The Company is disposing its waste in environmental friendly manner by selling waste to registered/authorised recyclers with CPCB / SPCB only. During the FY 2016-17 the Company has sold 1232 MT of non-hazardous waste and 379 MT of Hazardous waste to registered/authorised recyclers with CPCB / SPCB for its Mundra Port, Tuna Port, Dahej Port, Hazira Port, Goa Port and Dhamara Port locations.

Principle 3: Business should promote the wellbeing of all employees

1. Please indicate total number of employees.

   The Company has a total of 1353 employees as on March 31, 2017.

2. Please indicate total number of employees hired on temporary/contractual/casual basis.

   The Company has a total of 893 employees hired on contractual basis as on March 31, 2017.

3. Please indicate the number of permanent women employees.

   The Company has 8 women employees as on March 31, 2017.

4. Please indicate the number of permanent employees with disabilities.

   The Company has one permanent employee with disabilities as on March 31, 2017.

5. Do you have an employee association that is recognized by the Management?

   The Company does not have an employee association recognized by the Management.

6. What percentage of permanent employees who are members of this recognized employee association?

   Not applicable.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and those pending as on the end of the financial year.

   There were no complaints of this nature during the financial year.

8. What percentage of under mentioned employees were given safety and skill up-gradation training in the last year? (Permanent employees, permanent women employees, causal / subcontracted employees, employees with disabilities).

   Employee training and skills development is an integral aspect of the Company's human resources strategy. The Company's training programs extend to all permanent and contractual employees, which are rolled out as per the annual training calendar and individual employee training needs, covering a significant percentage of employees. All contractual employees are given mandatory safety training on induction as well as on the job skills related training through the Contractors and the Company.

Principle 4: Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders?

   Yes, the company has an established a systematic process of stakeholder mapping. The internal stakeholders for the company comprise the employees, management, consultants, etc. whereas the external stakeholder groups range from suppliers, customers, business partners, regulatory agencies to local communities around its sites of operations.

2. Out of the above, has the company identified the disadvantaged, vulnerable and marginalized stakeholders?

   Yes, the Company has identified the disadvantaged, vulnerable and the marginalized sections within the local communities around its sites of operations.

3. Special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.

   The Company as a business entity firmly believes and endorses notions of sustainable community development, especially for the vulnerable and marginalized sections. Across its business locations, it strives to create an environment of coexistence where there is an equitable sharing of resources followed by sustained growth and development. The Company since its inception has been promoting CSR activities in its operational areas through the Adani Foundation. With conscious efforts, the company has been strategically supporting a number of initiatives run by the Foundation under the domains of education, community health, sustainable livelihood development and rural infrastructure development. The following Adani Foundation initiatives have been supported by the Company across various regions.

   Education:

   The Foundation believes that Education is the stepping stone to improve the quality of life, especially for the needy and the most vulnerable. The main objective behind the educational initiatives is to provide 'quality' education with a unique learning experience to young minds.

   The Foundation has contributed substantial amount of resources in Adani Vidya Mandir - Ahmedabad. The concept of Adani Vidya Mandir is a unique concept where free of cost quality education is provided to the meritorious children coming from economically challenged section of our society. Adani Vidya Mandir, Ahmedabad, a CBSE affiliated school, started functioning in the year 2008 with just three classes. Today, it has reached the zenith of success with more than 1,000 students enrolled.

   Adani Vidya Mandir (AVM), Bhadreshwar, provides free of cost quality education to the deserving young minds coming from the weaker economic backgrounds. Presently, AVM, Bhadreshwar is empowering 395 meritorious students with primary education out of which 137 students are coming from fisher-folk communities. In order to motivate children, Adani Foundation provided welcome kit / education kit to 2,500 newly enrolled students in 111 Government Primary Schools from 61 villages of Mundra Taluka. In Hazira, NAVCHETAN VIDYALAYA, was established with an objective of providing quality education to the rural children of the area. The school has now made a mark for itself in the region with 304 enrolments with equal number of boys and girls. The school is equipped with Smart Classes, sports ground and other amenities to for student's overall development. DPCL DAV Public School, Dhamra supported by Adani Foundation is providing quality English medium education at a subsidized cost to the students from the periphery villages. Apart from this the Foundation has initiated and implemented several educational programmes.

   Amongst other projects, Strengthened Govt. Pragna project through various activities for active & continuous participation of students for their better learning outcome and organized training and capacity building programs for teachers in collaboration with Education Department and utilizing expertise of an NGO called 'Jeevantirth' which works for primary education. Supported ICDS program to provide child friendly environment and improve learning interest of children in 52 Anganwadis of 15 villages at Hazira.

   Material Support provided to the needy children to reduce the dropout orphan and single parent children. Science centre at Surat was initiated to develop their interest towards Maths and Science. In Dahej, Material support was provided to 3,600 students. Dhamra, Educational and other basic material, science lab, school uniform and bags etc. was provided to 10 rural schools covering around 5,000 students. Sports events such as Adani Dhamra Port Volley ball tournament and Adani inter school Girls Kabbadi tournament was organized and prizes distributed. Adani inter school Girls Athletic meet was also organized to promote sports in rural area. At Vizhinjam site in Kerala Merit scholarship of ₹10,000/- per year for selected 25 students. The scholarship would be for a period of two years.

Project Udaan, an inspirational exposure tour has benefitted 26,449 students this year. Till today, 2 lakh students have visited the facilities under Project Udaan across our business locations. The tour is facilitated by Adani Group with an objective to acquaint the students with the port terminal activities. These visits help students to understand the functioning of ports and the role of ports in trade and economic growth of the country. The visits are aimed to facilitate young minds to get inspired so that they could become entrepreneurs, innovators and achievers of tomorrow.

Community Health:

The major objective behind the health initiatives of the Foundation is to provide "affordable and accessible health care to all". To provide good medical facilities even to the remotest of the villages; the Foundation has started Mobile Healthcare Units & rural clinics in its functional areas.

Community healthcare facilities are being catered through Mobile Health Care Units (MHCU), at remote rural locations. The MHCU has done around 70,000 treatments in Mundra, Dahej and Dhamra. Apart from MHCUs rural clinics are catering to health needs of around 69,000 patients. The Foundation has facilitated awareness campaigns, medical support, primary health care and financial assistance benefitting un-privileged patients in Mundra, Dahej, Dhamra, Hazira and Vizhinjham.

At Mundra, Senior Citizen Health Card Scheme is a unique health based initiative of the Foundation. The scheme primarily focusses on the rural senior citizens with a quest to support them with necessary health based assistance and currently spread across 66 villages in Kutch District; with a total number of beneficiaries being for 6,665 senior citizens. Gujarat Adani Institute of Medical Sciences (GAIMS) is a unique Public Private Partnership between Adani Education and Research Foundation and the Government of Gujarat initiated in 2009. G. K. General Hospital has been converted in to 700 beds capacity hospital. Health care services provided to more than 290 villages of Kutch district. The services also were extended for school check-ups in around 40 schools benefitting more than 7,500 students.

In Dahej, Foundation conducts Hygiene and Sanitation awareness drives with School & Anganwadi children and Adolescent girls. These campaigns directly benefitted more than 4000 students from 11 schools and 13 anganwadi. Health check-up and 21,677 treatments done through MHCU and multi-speciality medical camps were organized and more than 525 patients benefited. Health awareness campaigns carried out at 11 schools and 13 Anganwadi covering 4,000 students. At Hazira Port, Series of health camps organized for truck drivers and assistant especially General health check-ups and Eye check-ups with the help of Health and Safety department.

In Dhamra, Odisha, 35 schools and 260 registered boats and trawlers have been supported with First Aid Kits to deal with emergencies. 7 mega health camps were organized and 4,795 patients took advantage of these camps at their door step locations. At Vizhinjam site in Kerala In order to support Trivandrum Municipal Corporation's drive of Solid waste management, Adani Foundation has already constructed 21 Thumoor Mozhi Aero bins out of total 26 for the wards of Kottapuram, Vizhinjam and Harbor.

SuPoshan program Malnutrition and Anaemia are two national curses, which keeps weakening the future generation of our country. Learning from two projects at Mundra and Tiroda respectively for reducing malnutrition and anaemia, this project was envisaged. SuPoshan is being implemented at 10 business sites covering 232 villages and 5 municipal wards with initial success in improving status of 137 SAM & 220 MAM children. 8,948 Adolescent girls and 8933 Women in reproductive age group are done with HB screening for Anaemia. About 61% of them found to be anaemic.

Sustainable Livelihood Development:

Livelihood is one of the major components that the Foundation has been working towards empowering the community members by augmenting livelihood opportunities with income generating initiatives and honing their skills by providing them with necessary trainings for enhancing employability and entrepreneurial abilities.

Adani Foundation through Adani Skill Development Centre (ASDC) is creating an environment where every youth and women gets to develop employable skills through training. In the year 2016-17, ASDC trained 2,986 candidates out of which 578 were women. Many of the students trained in ASDC have been able to secure jobs in various organizations. The fisher-folks have been provided with employment during non-fishing months through trainings on mangrove plantations and avenues of painting works to generate alternate source of income. A total of 3,315 man-days of employment, in mangrove plantation and painting works respectively, have been provided to the community members during the financial year. Apart from these 2,285 fishermen have benefitted through various welfare and support programme of the Foundation.

At Dahej have been supported for fishing equipment support and getting the licenses in the past and 198 licensed fishermen were identified for support. In Hazira, Self Help Groups (SHG) women were supported to initiate Uphaar canteen the project is now reaching out to 100 truckers daily. At Vizhinjam, Around 576 women from BPL families in the wards of Kottappuram, Venganoor, vizhinjam, Harbour and Venganoor were trained in management modules. Adani Foundation supported SHG to empower women in rural areas. Apart from SHG, the Foundation is dedicated to provide the farmers with technological support in agriculture which involves practical trainings and exposure visits. In Vizhinjham, around 576 women from BPL families in the wards of Kottappuram, Venganoor, vizhinjam, Harbour and Venganoor were trained in management modules. The management Training modules included Self-Management, Cash Management, Debt Management and Leadership.

Rural Infrastructure Development:

Our Rural Infrastructure Development program helps us in building a strong community relationship. Our infrastructure development is well designed, planned and built for the betterment of education, community health, agriculture and living standards for the communities.

At Mundra in Gujarat, Adani Foundation has taken initiatives for water conservation including construction of check dams and pond deepening in Dhrub, Mota Bhadiya village was carried out and earthen bund was constructed across the river between Baroi and Bhujpur village. Educational related infrastructure support was provided to Govt schools while 15 toilets were constructed at Juna Madhapar village were constructed 230 individual toilets for Fisherman Vasahats. During the year, 140 shelters were refurnished at Juna Bandar and a road measuring 2,300 meters was developed; to bridge the gap in the up gradation of infrastructure in villages.

At Dahej in Gujarat, 13 numbers of houses were reconstructed at Lakhigam and Luvara. Additionally 68 numbers of houses were repaired at Jageshwar. At Hazira Community hall was constructed for Bhatlai, Vasva and Dummas village required to provide an infrastructure for community social gathering and reconstructed 29 houses at Vansava and Rajgiri village. At Dhamra in Odisha, Adani Foundation in 2015-16 decided to construct a new school for ADANI-DAV Public school in Kuamara village in Dhamra. The work is expected to be completed in June 2017. Improving the rural roads, drinking water facility, rural electrification and the health and education related infrastructure has been a priority of Dhamra Port CSR. At Vizhinjam in Kerala, Lower primary school covering 400 students at Harbour area building was reconstructed. Initiated developing full-fledged CHC with a new infrastructure and constructed Public toilets at Harbour ward, Kottapuram ward and Vizhinjam

Principle 5: Business should respect and promote human rights.

1. Does the Company's policy on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?

   The Company has put in place a Human Rights policy applicable to all Adani Group Companies. The Company strictly adheres to all applicable labour laws and other statutory requirements in order to uphold the human rights within its organizational boundary.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

   No stakeholder complaints other than mentioned in the Corporate Governance Report attached were received during the financial year. The Company has implemented the web-based grievance mechanism for stakeholders. The web-link is https://grievance.adaniports.com.

Principle 6: Business should respect, protect, and make effort to restore the environment.

1. Does the policy pertaining to this Principle cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?

   The Company has adopted an Occupational Health, Safety and Environment Policy as these aspects are integral to the Company's business values. The Policy covers only the Company.

2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y / N. If yes, please give hyperlink for webpage etc.

Yes, the Company is continually doing several initiatives to address global environmental issues such as climate change and global warming in three different ways (i) through self-actions (ii) through awareness creation and (iii) through providing support for energy efficient products. The main objective behind all initiatives is to use and promote energy efficient technologies to reduce the energy consumption and related emission reduction. The Company has implemented number of initiatives which has resulted in saving in fuel consumption and thereby avoided related emissions.

The Company has also conducted Carbon footprint assessment for all its operating locations and based on the assessment company will focus on reduction in energy consumption and emissions through various technical and technological interventions. Energy conservation targets are also taken for respective ports and efforts are made to achieve the same.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company regularly identifies and assesses environmental risk during all stages of its existing and planned projects. The Company is carrying out detailed environmental impact assessment studies to assess all the likely impacts due to project and also prepare environment management plan to mitigate those impacts.

The Company is performing regular environmental monitoring of all the environmental parameters to assess the environmental status on a regular basis. Additionally, the Company is also carrying other scientific studies including marine modelling studies to assess the response of marine components and parameters to evaluate the marine operations safety.

The Company has carried out carbon footprint assessment for its all operating locations operations to identify concerned areas contributing to Greenhouse Gas emissions and identify potential areas for further improvement.

4. Does the Company have any project related to Clean Development Mechanism (CDM)? If so provide details thereof, in about 50 words or so. Also, If Yes, whether any environmental compliance report is filed?

No, the Company does not have any projects related to Clean Development Mechanism (CDM).

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, provide hyperlink to web page etc.

The Company has already taken several initiatives to improve energy efficiency either through improved operations or through adoption of better technologies. The Company has converted all its diesel operated cranes into electric mode. Additionally, the Company has also installed and operating regenerative crane system which reduces the demand for energy consumption. For various port activities electric bikes are used in comparison to petrol driven bikes. Golf cars are also used which in comparison to diesel driven cars, generate less emission. Solar Lighting and Solar Water heaters are also installed at various locations within the port. The Company is in process of installing 100 MW wind power project for its captive consumption.

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes, the company has adopted and implemented adequate pollution control measures to maintain the norms under desired levels and accordingly emissions / waste generated are within the permissible limits given by CPCB/SPCB.

The Company has developed a vision for Zero Waste and is working towards making APSEZ – a Zero Waste Company. Accordingly, the Company has taken several initiatives at various port locations by focusing on 5R principles of waste management i.e. Reduce, Reuse, Reprocess, Recycle and Recover.

- Entire treated sewage is reused for horticulture purpose at all sites.
- Municipal Solid Waste like Paper, Plastic, Wood, Metal, Tyre etc. recycle for specific use.
- Used Oil / Spent Oil is sent for recycling to authorized agencies from all Ports.
- Oil / Chemical is recovered from pigging waste through compression at Mundra Port and thereby reducing the volume and weight of pigging waste to be treated.
- Oily cotton waste generated at Mundra, Dahej and Tuna Ports is reused as a fuel in co-processing at cement kiln.
- Downgrade chemicals generated at Mundra port are sent for solvent recovery to authorized agencies.
- Kitchen / Food waste generated at Mundra Port, Hazira Port, Tuna port and Dahej Port is converted to manure which is used for horticulture requirements.
- Oil Water Separator is installed at Mundra Port for recovery of oil from oily water (slope) received from ships.

- E-waste generated at all ports is sent to registered recyclers.
- Paperless drive initiated at Mundra has reduced printing paper consumption by over 90%.
- At Dhamra, waste paper (recovered from MSW) is recycled to produce notepads.
- Under "Plastic free" drive across Mundra, Dhamra, Goa, Katupalli and Tuna ports, alternative solutions are provided and in situations where use of plastic is unavoidable, it is ensured that it is collected and sent onward for recycling.
- Various activities are initiated on pilot scale for water conservation which include, installation of water maker (produces water from atmospheric moisture), replacement of conventional urinal pots by water free urinals, flow reducers in water taps etc.

The Company has come out with its first sustainability report as per GRI-G4 guidelines. The Company has evolved Sustainability Charter for continuous improvement of sustainability performance.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending as of end of financial year.

   There are no show cause / legal notices received from CPCB/SPCB which are pending as of end of financial year.

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.

   Yes, the Company is a member of the following key associations:

   - Confederation of Indian Industry
   - Federation of Indian Export Organizations
   - World Economic Forum

   Adani Group is a member of the following key associations:

   - Federation of Indian Chamber of Commerce and Industry
   - The Associated Chambers of Commerce and Industry of India
   - Ahmedabad Management Association
   - Gujarat Chamber of Commerce and Industry

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (Governance and Administration, Economic Reform, Inclusive Development Polices, Energy security, Water, Food Security, Sustainable Business Principles, Others).

   Yes, through its membership in the above bodies, the Company has advocated on the key areas of improving the logistics and rail connectivity of ports. The Company has also advocated regarding notification of ports under export promotion schemes. This enables EXIM players to take benefit of export promotion schemes when they handle cargo at notified ports.

Principle 8: Business should support inclusive growth and equitable development.

1. Does the company have specified programme / initiatives/ projects in pursuit of the policy related to principle 8? If yes details thereof.

   The Company through Adani Foundation promotes notions of equitable and inclusive growth and development. Adani Foundation is the CSR arm of the Adani group of companies. Since its inception in 1996, the Foundation has been working in a number of prominent areas to extend its support to people in need. Working closely with the communities, Adani Foundation has been able to assume the role of a facilitator by creating an enabling environment for many. With its human-centric approach, Adani Foundation always strived to make processes sustainable, transparent and replicable. Adani foundation is currently operational in 12 states of India and is working towards an integrated development of the communities with its core focus on Education, Community Health, Sustainable Livelihoods Development and Rural Infrastructure Development.

   It lays a special focus on the marginalized sections of the communities. Through its activities in the above areas, the Adani Foundation has been able to reach out to more than 1470 villages/towns and over 4,00,000 families touching their lives to make a positive difference.

2. Are the programmes/projects undertaken through in-house team / own foundation /external NGO/Govt. structure /any other organisation?

   Adani Foundation is the well-structured and developed Corporate Social Responsibility (CSR) arm of Adani Group. The Foundation having its passionate and committed workforce in each of the functional locations has been able to carry out the activities with dedication. Adani Foundation, in various locations has also created a very meaningful partnerships with several Government agencies, Government supported organizations, nongovernmental organizations, community service organizations and the CSR network of other corporate houses.

Adani Foundation carried out a special awareness campaign in the schools of Ahmedabad under the pilot project "Swachhagraha" to sensitize students about cleanliness and striving to keep our surroundings clean. This was done with an objective of inculcating a culture of cleanliness amongst the children.

3. Have you done any impact assessment of your initiative?

   Yes, impact assessments of the ongoing CSR programs and need/outcome assessment at grass root level through participatory rural appraisals are conducted at regular intervals to evaluate and continually improve the program implementation and outcomes.

4. What is the Company's direct monetary contribution to community development projects and details of projects undertaken?

   The Company's monetary contribution to community development projects in financial year 2016-17 was ₹47.78 crore. The focus areas of the Company's community development projects are outlined in response to Question 5 under Section B.

5. Have you taken steps to ensure that community development initiative is successfully adopted by the community? Please explain in 50 words.

   Adani Foundation, through its interventions tries to design and implement various activities with a focus on the existing social fabric and structure. The various programs try to ensure an equal participation from various groups (project beneficiaries wise, gender wise and age group wise) of the society to create a space for interaction and indulgence. Mobilization being the first step for any program gives enough scope for such interactions at the community level, effects of which are expected to percolate down the individual family units. Starting with activities like social mapping, designing, implementation to monitoring and assessment / evaluation, community participation from different groups is ensured. The same essence could be found across different programs.

   Our community engagement is strengthened through conducting third-party need assessment surveys, participatory rural appraisals as well as formation of Village Development Committees (VDCs) and Cluster Development Advisory Committee (CDAC), and Advisory Council with representation from the community, Government and the Company. This high level of engagement and participation of community members lead to a greater sense of ownership among the people, ensuring successful adoption and sustained outcomes.

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner.

Customers have always been pivotal in shaping our strategies and developing business. In order to enhance our Customer Centricity levels way ahead of the market place, we have established a dedicated Customer Service Cell (CSC). The CSC would be single point of contact for all the customers trying to reach out and interact with us. We have already had initial success at CSC and customers have appreciated this initiative.

1. What Percentage of customer complaints / consumer cases are pending as on the end of financial year 2016-17?

   There are no customer complaints / consumer cases pending as of end of financial year 2016-17.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

   The Company does not manufacture any product, hence this is not applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as of end of FY 2016-17?

   There are no such pending cases against the Company in a court of law.

4. Did your company carry out any consumer survey / consumer satisfaction trends?

   Company actively seeks function-wise feedback from various stakeholders. For example, vessel feedback is collected from vessel masters for each and every vessel handled at the Port.

   The Company carries out customer satisfaction survey either through engagement of external agencies or through deployment of internal resources. The survey is normally conducted on an annual basis and covers feedback of customers across all port business verticals.

   Similarly, transporters and port users feedback is sought by security function. The output of the survey is in form of concise actionable points and the same helped the port improvise the services and infrastructure provided by the port to various port users.

Independent Auditor's Report

To the Members of
Adani Ports and Special Economic Zone Limited

Report on the Ind AS financial statements

We have audited the accompanying standalone Ind AS financial statements of Adani Ports and Special Economic Zone Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss including other comprehensive income, Cash Flow Statement and 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility 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 standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit 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 standalone Ind AS financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:

(a) Note 38(I) of the accompanying standalone Ind AS financial statements regarding recognition of Minimum Alternate Tax ('MAT') credit entitlement in respect of certain interest income based on the consideration that the Company would be able to claim tax holiday benefits on the same, as per provisions of section 80IAB of the Income Tax Act, 1961, more fully described in the said note.

(b) Note 41(a) of the accompanying standalone Ind AS financial statements regarding the basis of recognition of certain projects service revenue during the earlier year, as more fully described in the said note.

(c) Note 4(c)(i) of the accompanying standalone Ind AS financial statements which indicates that one of the subsidiary company has accumulated losses and its net worth has been eroded, the subsidiary company has incurred a net cash loss during the current year and previous year. These conditions along with other matters set forth in Note 4(c)(i), indicate the existence of material uncertainty that may impact the subsidiary company's ability to continue as a going concern. However, the financial statements of the subsidiary company have been prepared on going concern basis for the reasons stated in the said Note.

Our opinion is not qualified in respect of these matters.

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

   (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 standalone Ind AS financial statements – Refer Note 38 to the standalone 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 15 to the standalone Ind AS financial statements;

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

      iv. The Company has provided requisite disclosures in Note 43 to these standalone Ind AS financial statements as to the holdings and dealing in Specified Bank Notes as defined in the notification S.O. 3407 (E) dated November, 08, 2016 of the Ministry of Finance during the period from November 8, 2016 to December 30, 2016. Based on the audit procedure performed and the representation provided to us by the management we report that the disclosures are in accordance with the books of accounts maintained by the Company more so described in Note 43.

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

per **Arpit K Patel**
Partner
Membership Number: 34032

Place of Signature: Ahmedabad
Date: May 24, 2017

Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date for the year ended March 31, 2017

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

(b) The Company has regular programme of physical verification of its fixed assets through which all the fixed assets are verified in a phased manner, over a period of three years. In our opinion, physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to information and explanations given by the management, the title deeds of immovable properties, included in fixed assets except for the immovable property in the nature of reclaimed land having Gross Book Value (GBV) aggregating ₹202.21 crores and Net Book Value (NBV) aggregating ₹171.87 crores and residential flats having GBV of ₹139.94 crores and NBV of ₹125.63 crores which are not registered in the name of the Company. Also refer note 3(a) of the standalone Ind AS financial statements.

(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) (a) The Company has granted loans to a company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

(b) The Company has granted loans to a firm covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the receipts are regular and there were no instalment of loan due during the year.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, and considering the legal opinion taken by the Company on applicability of section 185 of the Companies Act, 2013, in respect of certain loan transaction and that the same have been given in the ordinary course of the business, the Company has complied with the provisions of section 185 of the Companies Act 2013. Further, based on the information and explanations given to us, 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 from the public.

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

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material 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, cess and other material 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 service tax, customs duty, excise duty and income tax on account of any dispute, are as follows:

Name of the statute	Nature of Tax	Amount (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Custom Duty	2.00	June, 2008	Commissioner of Customs & Central Excise, Ahmedabad
Customs Act, 1962	Custom Duty	0.14	July, 2003	Assistant Commissioner of Customs, Mundra

Name of the statute	Nature of Tax	Amount (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Custom Duty	0.25	August, 2007	Deputy Commissioner of Customs, Mundra
Finance Act, 1994	Service Tax	6.72	December 2004 to March 2006	Supreme court
	Service Tax	0.56	October 2003 to August 2005	Commissioner (Appeals) Rajkot
	Service Tax	304.71	April 2006 to September 2011	High Court of Gujarat
	Service Tax	0.61	September 2009 to March 2010	Commissioner of Service Tax, Ahmedabad.
	Service Tax	190.04	April 2011 to March 2014	Commissioner / Addl. Commissioner of Service Tax, Ahmedabad
Finance Act, 1994	Service Tax	6.72	April 2004 to August 2009	High Court of Gujarat
	Service Tax	0.17	April 2009 to March 2011	Commissioner of Service Tax, Ahmedabad
Income Tax Act, 1961	Income Tax	75.48	AY 2009 - 10 to AY 2011 - 12	Income Tax Appellate Tribunal
	Income Tax	6.74	AY 2012 – 13 to AY 2013 - 14	CIT (Appeal)

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

(ix) In our opinion and according to the information and explanations given by the management and on an overall examination of the balance sheet, the monies raised by way debt instruments in the nature of foreign currency bonds and term loans were applied for the purposes for which those were raised, though idle/surplus funds which were not required for immediate utilization have been temporarily invested in fixed deposits / mutual funds.

(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 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, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

(xiii) According to the information and explanations given by the management, transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

(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 hence, 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 **Arpit K Patel**
Partner
Membership Number: 34032

Place of Signature: Ahmedabad
Date: May 24, 2017

Annexure 2 to the Independent Auditor's Report of Even Date on the Standalone Ind AS Financial Statements of Adani Ports And Special Economic Zone Limited

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

We have audited the internal financial controls over financial reporting of Adani Ports and Special Economic Zone Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, 2017, 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 **Arpit K Patel**
Partner
Membership Number: 34032

Place of Signature: Ahmedabad
Date: May 24, 2017

Balance Sheet at March 31, 2017

(₹ in crore)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	3	8,328.08	8,466.17	8,405.36
Capital Work in Progress	3	1,458.08	856.60	663.19
Goodwill	3	44.86	44.86	44.86
Other Intangible Assets	3	16.65	12.54	12.97
Financial Assets				
(i) Investments	4	9,515.65	5,184.77	4,889.33
(ii) Trade Receivables	5	2.54	5.36	424.42
(iii) Loans	6	5,952.23	6,534.92	2,764.88
(iv) Other Financial Assets	7	809.96	1,843.84	607.73
Deferred Tax Assets (net)	26	1,764.52	1,255.75	776.59
Other Non-Current Assets	8	1,387.19	1,004.58	369.25
		29,279.76	**25,209.39**	**18,958.58**
Current Assets				
Inventories	9	523.00	124.82	179.46
Financial Assets				
(i) Investments	10	894.74	128.10	202.88
(ii) Trade Receivables	5	1,128.61	1,181.26	748.98
(iii) Customers Bill Discounted	5	663.48	379.79	449.67
(iv) Cash and Cash Equivalents	11	549.27	699.87	443.01
(v) Bank Balances other than (iv) above	11	1,002.74	237.75	52.82
(vi) Loans	6	3,469.38	2,099.34	3,550.32
(vii) Other Financial Assets	7	835.80	432.87	410.85
Other Current Assets	8	900.95	636.02	357.42
		9,967.97	**5,919.82**	**6,395.41**
Total Assets		**39,247.73**	**31,129.21**	**25,353.99**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	12	414.19	414.19	414.01
Other Equity	13	16,450.66	13,151.62	10,861.52
Total Equity attributable to Equity Holders of the Company		**16,864.85**	**13,565.81**	**11,275.53**
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	14	16,160.57	10,247.05	8,504.63
(ii) Other Financial Liabilities	15	77.63	93.60	244.53
Other Non-Current Liabilities	16	679.73	734.26	824.51
		16,917.93	**11,074.91**	**9,573.67**
Current Liabilities				
Financial Liabilities				
(i) Borrowings	17	2,533.89	3,133.81	1,288.01
(ii) Customers Bill Discounted	17	663.48	379.79	449.67
(iii) Trade and Other Payables	18	258.26	185.28	187.81
(iv) Other Financial Liabilities	15	1,396.07	2,420.68	2,243.88
Provisions	19	47.68	51.22	37.94
Liabilities for Current Tax (net)	26	158.50	26.01	38.76
Other Current Liabilities	16	407.07	291.70	258.72
		5,464.95	**6,488.49**	**4,504.79**
Total Liabilities		**22,382.88**	**17,563.40**	**14,078.46**
Total Equity And Liabilities		**39,247.73**	**31,129.21**	**25,353.99**

The accompanying notes are an integral part of the financial statements

As per our report of even date.

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

per **Arpit K. Patel**
Partner
Membership No. 34032

Place : Ahmedabad
Date: May 24, 2017

For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]
DIN : 00006273

Rajesh S. Adani
[Director]
DIN : 00006322

Dr. Malay Mahadevia
[Wholetime Director]
DIN : 00064110

B Ravi
[Chief Financial Officer]

Place : Ahmedabad
Date: May 24, 2017

Dipti Shah
[Company Secretary]

Statement of Profit and Loss for the year ended March 31, 2017

(₹ in crore)

Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
INCOME			
Revenue from Operations	20	4,878.86	4,619.17
Other Income	21	1,284.67	1,172.77
Total Income		**6,163.53**	**5,791.94**
EXPENSES			
Operating Expenses	22	781.84	816.33
Employee Benefits Expense	23	210.99	178.92
Depreciation and Amortization Expense		540.71	519.32
Foreign Exchange (Gain) / Loss (net)		(200.33)	70.65
Finance Costs	24		
(i) Interest and Bank Charges		1,103.40	929.75
(ii) Derivative Loss / (Gain) (net)		95.00	(75.30)
Other Expenses	25	338.98	246.00
Total Expenses		**2,870.59**	**2,685.67**
Profit Before Tax		**3,292.94**	**3,106.27**
Tax Expenses:	26		
Current tax		704.24	624.34
Deferred tax		59.37	125.25
Less: Tax (Credit) under Minimum Alternate Tax (MAT)		(571.28)	(607.82)
Total Tax Expenses		**192.33**	**141.77**
Profit for the year	(A)	**3,100.61**	**2,964.50**
Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit plans		3.56	(1.47)
Income tax impact, (charge)		(1.23)	0.51
		2.33	(0.96)
Net Gains on FVTOCI Equity Investments		11.91	21.43
Income tax impact, (charge)		(1.91)	(3.87)
		10.00	17.56
Net other comprehensive income for the year not to be reclassified to profit or loss in subsequent periods	(B)	12.33	16.60
Total Comprehensive Income for the year net of tax	(A)+(B)	**3,112.94**	**2,981.10**
Earnings per Share - (Face value of ₹2 each)			
Basic and Diluted (in ₹)	27	14.97	14.31

The accompanying notes are an integral part of the financial statements

As per our report of even date.

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

per **Arpit K. Patel**
Partner
Membership No. 34032

Place : Ahmedabad
Date: May 24, 2017

For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]
DIN : 00006273

Rajesh S. Adani
[Director]
DIN : 00006322

Dr. Malay Mahadevia
[Wholetime Director]
DIN : 00064110

B Ravi
[Chief Financial Officer]

Place : Ahmedabad
Date: May 24, 2017

Dipti Shah
[Company Secretary]

Statement of Changes in Equity for the year ended March 31, 2017

(₹ in crore)

Particulars	Equity Share Capital	Equity Component of Non Cumulative Redeemable Preference shares	Reserve and Surplus					Other Comprehensive Income	Total
			Securities Premium	Foreign Currency Monetary item Translation Difference Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings		
Balance as at April 1, 2015	**414.01**	**165.88**	**2,644.12**	**(199.52)**	**399.38**	**1,320.54**	**6,423.26**	**107.86**	**11,275.53**
Profit for the year	-	-	-	-	-	-	2,964.50	-	2,964.50
Other Comprehensive income									
Re-measurement gains / (losses) on defined benefit plans (net of tax)	-	-	-	-	-	-	(0.96)	-	(0.96)
Fair valuation of Investments measured at FVTOCI (net of tax)	-	-	-	-	-	-	-	17.56	17.56
Total Comprehensive income for the year					-	-	**2,963.54**	**17.56**	**2,981.10**
Cash Dividends	-	-	-		-	-	(455.51)	-	(455.51)
Dividend distribution tax (DDT)	-	-	-		-	-	(92.74)	-	(92.74)
Foreign currency gain / (loss) during the year	-	-	-	(160.84)	-	-		-	(160.84)
Amortised during the year in the statement of profit and loss	-	-	-	99.71	-	-	-	-	99.71
Issue of Equity Shares as per Scheme of Arrangement (refer note 42(b))	310.65	-	-	-	-	-	-	-	310.65
Cancellation of Equity Shares as per Scheme of Arrangement (refer note 42(b))	(310.47)	-	-	-	-	-	-	-	(310.47)
Excess of Net Assets taken over and share issued under Scheme of Demerger	-	-	-	-	-	26.80	-	-	26.80
Transfer to General Reserve	-	-	-	-	(275.88)	275.88	-	-	-
Transfer to Debenture Redemption reserve	-	-	-	-	515.38	-	(515.38)	-	-
Adjustment of Bond issue expense as per section 52(2)(c) of the Companies Act, 2013 (refer note 13)	-	-	(39.75)	-	-	-	-	-	(39.75)
Adjustment of Premium paid on buy back of debentures as per section 52(2)(c) of the Companies Act, 2013 (refer note 13)	-	-	(42.38)	-	-	-	-	-	(42.38)
Adjustment of cost incurred on issue of debentures as per section 52(2)(c) of the Companies Act, 2013 (refer note 13)	-	-	(6.49)	-	-	-	-	-	(6.49)
Adjustment of Difference between Issue price and face value of bond as per section 52 (2)(c) of the Companies Act, 2013 (refer note 13)	-	-	(19.80)	-	-	-	-	-	(19.80)
Balance as at March 31, 2016	**414.19**	**165.88**	**2,535.70**	**(260.65)**	**638.88**	**1,623.22**	**8,323.17**	**125.42**	**13,565.81**

(contd.)

Statement of Changes in Equity for the year ended March 31, 2017

(₹ in crore)

Particulars	Equity Share Capital	Equity Component of Non Cumulative Redeemable Preference shares	Reserve and Surplus					Other Comprehensive Income	Total
			Securities Premium	Foreign Currency Monetary item Translation Difference Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings		
Balance as at March 31, 2016	**414.19**	**165.88**	**2,535.70**	**(260.65)**	**638.88**	**1,623.22**	**8,323.17**	**125.42**	**13,565.81**
Profit for the year	-	-	-	-	-	-	3,100.61	-	3,100.61
Other Comprehensive income									
Re-measurement gains / (losses) on defined benefit plans (net of tax)	-	-	-	-	-	-	2.33	-	2.33
Fair valuation of Investments measured at FVTOCI (net of tax)	-	-	-	-	-	-	-	10.00	10.00
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**3,102.94**	**10.00**	**3,112.94**
Add : Foreign currency gain/ (loss) during the year	-	-	-	62.70	-	-	-	-	62.70
Less : Amortised in statement of profit and loss	-	-	-	123.40	-	-	-	-	123.40
Transfer to General Reserve	-	-	-	-	(518.33)	518.33	-	-	-
Transfer to Debenture Redemption reserve	-	-	-	-	355.66		(355.66)	-	-
Balance as at March 31, 2017	**414.19**	**165.88**	**2,535.70**	**(74.55)**	**476.21**	**2,141.55**	**11,070.45**	**135.42**	**16,864.85**

The accompanying notes form an integral part of the financial statements

As per our report of even date.

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

per **Arpit K. Patel**
Partner
Membership No. 34032

Place : Ahmedabad
Date: May 24, 2017

For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]
DIN : 00006273

Rajesh S. Adani
[Director]
DIN : 00006322

Dr. Malay Mahadevia
[Wholetime Director]
DIN : 00064110

B Ravi
[Chief Financial Officer]

Place : Ahmedabad
Date: May 24, 2017

Dipti Shah
[Company Secretary]

Cash flow Statement for the year ended March 31, 2017

(₹ in crore)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A. Cash Flow from Operating Activities		
Net profit before Tax	3,292.94	3,106.27
Adjustments for :		
Depreciation and Amortization Expense	540.71	519.32
Unclaimed Liabilities / Excess Provision Written Back	(2.32)	(5.19)
Cost of Land transferred under Finance Lease	1.84	6.09
Recognition of Deferred Income under Long Term Land Lease / Infrastructure Usage Agreements	(50.91)	(50.91)
Financial Guarantees	(9.18)	(12.79)
Government Grant	0.09	0.20
Profit on Sale of Non-Current Investments	(6.62)	-
Finance Cost	1,103.40	929.75
Derivative (Gain)/Loss	95.00	(75.30)
Unrealised Foreign Exchange (Gain) / Loss	(179.56)	56.15
Allowances for Doubtful Advance and Deposits	20.86	13.26
Finance Income (Including for change in fair valuation)	(1,144.67)	(1,094.36)
Dividend Income	(2.20)	(1.76)
Profit on sale of Current Investment	(31.15)	(26.03)
Amortization of benefit under deposits	8.74	6.12
Diminution in value of Inventories	21.15	-
Loss on Sale / Discard of Property, Plant and Equipment (net)	2.23	2.88
Operating Profit before Working Capital Changes	**3,660.35**	**3,373.70**
Adjustments for :		
Decrease / (Increase) in Trade Receivables	55.47	(10.18)
(Increase) / Decrease in Inventories	(8.17)	15.13
(Increase) in Financial Assets	(83.00)	(282.71)
(Increase) / Decrease in Other Assets	(890.77)	(786.98)
(Decrease) / Increase in Provisions	(0.66)	11.81
Increase / (Decrease) in Trade and Other Payables	74.19	(8.48)
(Decrease) / Increase in Financial Liabilities	(31.09)	22.70
Increase / (Decrease) in Other Liabilities	111.75	(6.36)
Cash Generated from Operations	**2,888.07**	**2,328.63**
Direct Taxes paid (Net of Refunds)	(575.56)	(615.67)
Net Cash Inflow from Operating Activities	**2,312.51**	**1,712.96**
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(1,162.48)	(503.41)
Deposits given against Commitments	-	(600.00)
Deposits received Back against Commitments	742.45	-
Investments made in Subsidiaries	(0.25)	(0.20)
Investment in Cumulative Convertible Debenture of subsidiary	(2,457.00)	-
Payment made for acquisition of Equity - Subsidiary acquired	(106.26)	-
Investment made in Non Convertible Redeemable Debentures	156.62	(150.00)
Proceed from Sale of Investments / Associates	0.05	1.90
Advance Paid towards Acquisition of Equity	-	(250.00)
Advance received back	250.00	-
Inter-corporate Deposit / Loans given	(9,544.96)	(8,281.98)
Inter-corporate Deposit / Loans received back	8,631.20	6,052.03
Proceeds from / (Deposits in) Fixed Deposits with a maturity period of more than 90 days (net)	(680.92)	(291.27)
Sale/ (Purchase) of Investments in Mutual Fund (net)	159.00	100.81
Short term Investments in Debentures and Commercial Papers	(894.49)	-
Proceeds from Sale of Property, Plant and Equipment	0.64	14.10
Dividend Received	2.20	1.76
Interest Received	723.94	952.53
Net Cash Outflow from Investing Activities	**(4,180.26)**	**(2,953.73)**

Cash flow Statement for the year ended March 31, 2017

(₹ in crore)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings (Including bond issue proceeds)	9,979.35	9,346.28
Repayment of Long Term Borrowings (including Debentures)	(4,970.55)	(7,919.02)
Investment in Perpetual Debenture of Subsidiary	(1,450.00)	-
Advance paid towards acquisition of Non Controlling Interest in subsidiaries	-	(52.00)
Payment towards acquisition of Non Controlling Interest in subsidiaries	(9.34)	-
Payment towards additional investment in subsidiaries	(200.41)	(78.40)
Proceeds from Short Term Borrowings	21,044.63	15,855.47
Repayment of Short Term Borrowings	(21,619.64)	(13,969.26)
Interest & Finance Charges Paid	(907.49)	(926.56)
Cost of Issuance of Bonds/ Debentures and Premium paid on redemption of debenture	(28.81)	(88.62)
(Loss)/ Gain on settlement/cancellation of derivative contracts	(119.91)	(122.47)
Payment of Dividend on Equity and Preference Shares	(0.68)	(455.05)
Tax on Equity and Preference Share Dividend Paid	-	(92.74)
Net Cash inflow from Financing Activities	**1,717.15**	**1,497.63**
D. Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)	**(150.60)**	**256.86**
E. Cash and Cash Equivalents at the beginning of the year (Refer Note 11)	**699.87**	**443.01**
F. Cash and Cash Equivalents at the end of the year (Refer Note 11)	**549.27**	**699.87**
Components of Cash & Cash Equivalents		
Cash on Hand	0.02	0.02
Cheque on hand	-	150.00
Balances with Scheduled Banks		
- On Current Accounts	520.43	448.35
- On Current Accounts Earmarked for unpaid dividend and share application refund money	0.82	1.50
- On Fixed Deposit Accounts	28.00	100.00
Cash and Cash Equivalents at end of the year	**549.27**	**699.87**

Summary of significant accounting policies refer note 2.2

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

2 Purchase of investment in Mutual Fund of ₹66,922.50 crore (previous year ₹41,141.97 crore) and sale of Mutual Fund of ₹67,081.50 crore (previous year ₹41,243.54 crore).

As per our report of even date.

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

per **Arpit K. Patel**
Partner
Membership No. 34032

Place : Ahmedabad
Date: May 24, 2017

For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]
DIN : 00006273

Rajesh S. Adani
[Director]
DIN : 00006322

Dr. Malay Mahadevia
[Wholetime Director]
DIN : 00064110

B Ravi
[Chief Financial Officer]

Place : Ahmedabad
Date: May 24, 2017

Dipti Shah
[Company Secretary]

Notes to the Financial Statements for the year ended March 31, 2017

1 CORPORATE INFORMATION

The financial statements comprise financial statements of Adani Ports and Special Economic Zone Limited (the "Company, APSEZL") for the year ended March 31, 2017. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at "Adani House", Mithakhali Six Roads, Navrangpura, Ahmedabad-380009

The Company is in the business of development, operations and maintenance of port infrastructure (port services and related infrastructure development) and has linked multi product Special Economic Zone (SEZ) and related infrastructure contiguous to Port at Mundra. The initial port infrastructure facilities at Mundra including expansion thereof through development of additional port terminals and south port terminal infrastructure facilities are developed pursuant to the concession agreement with Government of Gujarat (GoG) and Gujarat Maritime Board (GMB) for 30 years period effective from February 17, 2001. At Mundra, the Company has expanded port infrastructure facilities through approved supplementary concession agreement (pending to be concluded) which will be effective till the year 2040, whereby port infrastructure has been developed at Wandh at Mundra to handle coal cargo. The said agreement is in the process of getting signed with GoG and GMB although Coal terminal at Wandh is recognized as commercially operational w.e.f. February 01, 2011.

The first Container terminal facilities (CT-1) developed at Mundra, was transferred under sub-concession agreement entered into on January 7, 2003 between Mundra International Container Terminal Limited (MICTL) (erstwhile Adani Container (Mundra) Terminals Limited) and the Company wherein the Company has given rights to MICTL to handle the container cargo for a period of 28 years i.e. up to February 17, 2031. The container terminal facilities developed at South Port location (CT-3) has been leased under approved sub concession agreement dated October 17, 2011 to (50:50) joint venture company, Adani International Container Terminal Private Limited (AICTPL), co-terminate with main concession agreement with GMB. The said sub-concession agreement is pending to be concluded with GOG and GMB. Another Container Terminal developed at south port location i.e. CT-4 has been developed in terms of (50:50) joint venture arrangement with CMA Terminals, France since July 30, 2014. The said container terminal is currently temporary operated, pending approval of sub concession agreement by the GMB.

The Multi Product Special Economic Zone developed at Mundra by the Company along with port infrastructure facilities is approved by the Government of India vide their letter no. F-2/11/2003/EPZ dated April 12, 2006 and subsequently amended from time to time till date. The Company has also set up Free Trade and Warehousing Zone at Mundra based on approval of Ministry of Commerce and Industry vide letter no.F.1/16/2011-SEZ dated January 04, 2012. The Company has also set up additional Multi Product Special Economic Zone at Mundra Taluka over an area of 1,856 hectares as per approval from Ministry of Commerce and Industry vide approval letter dated April 24, 2015. The Company has received single notification consolidating three notified SEZ in Mundra vide letter dated March 15, 2016 of Ministry of Commerce and Industry, Department of Commerce (SEZ Section).

The financial statements were authorised for issue in accordance with a resolution of the directors on May 24, 2017.

2 BASIS OF PREPARATION

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

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. Refer note 44 for information on how the Company adopted Ind AS.

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

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

Notes to the Financial Statements for the year ended March 31, 2017

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

2.2 Summary of significant accounting policies

a) Current versus non-current classification

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

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

The Company classifies all other liabilities as non-current.

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

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

b) Foreign currency transactions :

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

Transactions and balances

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

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

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception stated under Note No. 44.1(c), for which the treatment is as below :

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

ii. Exchange differences arising on other outstanding long term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. March 31, 2016 are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" (FCMITDA) and amortized over the remaining life of the concerned monetary item.

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

Notes to the Financial Statements for the year ended March 31, 2017

c) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

External valuers are involved for valuation of significant assets, such as business undertaking for transfer under the scheme and unquoted financial assets and financial liabilities, Involvement of external valuers is decided upon annually by the Management and in specific cases after discussion with and approval by the Company's Audit Committee. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the 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 33.2 and 2.3)

Notes to the Financial Statements for the year ended March 31, 2017

- Quantitative disclosures of fair value measurement hierarchy (refer note 33.2)
- Property, plant and equipment under Scheme of Business Undertaking (refer note 42 (a) and 2.3)
-I nvestment in unquoted equity shares (refer note 4)
- Financial instruments (including those carried at amortised cost) (refer note 33.1)

d) Revenue recognition

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

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

Port Operation Services

Revenue from port operation services including cargo handling, storage and rail infrastructure are recognized on proportionate completion method basis based on services completed till reporting date. 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 recognized as a revenue is exclusive of service tax and education cess where applicable.

Income in the nature of license fees / royalty is recognized as and when the right to receive such income is established as per terms and conditions of relevant service agreement

Income from long term leases

As a part of its business activity, the Company leases/ sub-leases land on long term basis to its customers. In some cases, the Company enters into cancellable lease / sub-lease transaction, while in other cases, it enters into non-cancellable lease / sub-lease transaction apart from other criteria to classify the transaction between the operating lease or finance lease. The Company recognizes the income based on the principles of leases as set out in Ind AS 17 "Leases" and accordingly in cases where the land lease / sub-lease transaction are cancellable in nature, the income in the nature of upfront premium received / receivable is recognized on operating lease basis i.e. on a straight line basis over the period of lease / sub-lease agreement / date of memorandum of understanding takes effect over lease period and annual lease rentals are recognized on an accrual basis.

In cases where land lease / sub-lease transaction are non-cancellable in nature, the income is recognized on finance lease basis i.e. at the inception of lease / sub-lease agreement / date of memorandum of understanding takes effect over lease period, the income recognized is equal to the present value of the minimum lease payment over the lease period (including non-refundable upfront premium) which is substantially equal to the fair value of land leased / sub-leased. In respect of land given on finance lease basis, the corresponding cost of the land and development costs incurred are expensed off in the statement of profit and loss.

Deferred Infrastructure Usage

Income from infrastructure usage fee collected upfront basis from the customers is recognized over the balance contractual period on straight line basis.

Development of Infrastructure Assets

In case the Company is involved in development and construction of infrastructure assets where the outcome of the project cannot be estimated reasonably, revenue is recognized when all significant risks and rewards of ownership in the infrastructure assets are transferred to the customer and all critical approvals necessary for transfer of the project are received / obtained.

Contract Revenue

Revenue from construction contracts is recognized on a percentage completion method, in proportion that the contract costs incurred for work performed up to the reporting date stand to the estimated total contract costs indicating the stage of completion of the project. Contract revenue earned in excess of billing has been reflected under the head “Other Current Assets” and billing in excess of contract revenue has been reflected under the head “Other Current Liabilities” in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen and cost incurred towards future contract activity is classified as project work in progress.

Income from fixed price contract - Revenue from infrastructure development project / services under fixed price contract, where there is no uncertainty as to measurement or collectability of consideration is recognized based on milestones reached under the contract.

Income from SEIS/SFIS

Income from Services Exports from India Scheme ('SEIS') incentives under Government's Foreign Trade Policy 2015-20 and Served from India Scheme ('SFIS') under Government's Foreign Trade Policy 2009-14 on the port services income are classified as 'Income from Port Operations' and is recognised based on effective rate of incentive under the scheme, provided no significant uncertainty exists for the measurability, realisation and utilisation of the credit under the scheme. The receivables related to SEIS licenses 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. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividends

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

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

e) Government Grants

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

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

f) Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

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

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

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability

Notes to the Financial Statements for the year ended March 31, 2017

arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of taxable temporary differences associated with investments In subsidiaries, associates and interests In jointly controlled entities, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse In the foreseeable future.

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

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

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in jointly controlled entities, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The Company is eligible and claiming tax deductions available under section 80IAB of the Income Tax Act, 1961 for a period of 10 years w.e.f FY 2007-08. In view of Company availing tax deduction under Section 80IAB 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 credits in the nature of Minimum Alternate Tax (MAT) credit as an asset only to the extent that there is sufficient taxable temporary difference /convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the statement of profit and loss. The Company reviews 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.

g) Property, plant and equipment (PPE)

Under the previous GAAP (Indian GAAP), Fixed assets (including Capital work in progress) are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalization criteria are met directly attributable cost of bringing the asset to its working condition for the intended use. The Company has elected to regard previous GAAP carrying values of property as deemed cost at the date of transition to Ind AS.

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

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

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

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

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

Assets	Estimated Useful life
Leasehold Land	Right to Use Over the balance period of Concession Agreement and approved Supplementary Concession Agreement (as mentioned in note 1) / Over the period of agreement of 20 years
Leasehold Land Development	Over the balance period of Concession Agreement and approved Supplementary Concession Agreement by Gujarat Maritime board as applicable.(as mentioned in note 1)
Marine Structure, Dredged Channel, Building RCC Frame Structure	50 Years as per concession agreement
Dredging Pipes - Plant and Machinery	1.5 Years
Nylon and Steel coated belt on Conveyor - Plant and Machinery	4 Years and 10 Years respectively
Inner Floating and outer floating hose, String of Single Point Mooring - Plant and Machinery	6 Years
Fender, Buoy installed at Jetty - Marine Structures	5 - 10 Years
Bridges, Drains & Culverts	25 Years as per concession agreement
Carpeted Roads – Other than RCC	10 Years
Tugs	20 Years as per concession agreement

An item of property, plant and equipment covered under Concession agreement, sub-concession agreement and supplementary concession agreement, shall be transferred to and shall vest in Grantor (government authorities) at the end of respective 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.

Notes to the Financial Statements for the year ended March 31, 2017

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.

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

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

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

Intangible Assets	Method of Amortisation	Estimated Useful life
Software applications	on straight line basis	5 Years based on management estimate

i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur except where expenses are adjusted to securities premium account in compliance with section 52 of the Companies Act, 2013. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j) Leases

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

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

Company as a lessee

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

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

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

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

Company as a lessor

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

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

k) Inventories

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

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

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

Costs incurred that relate to future contract activities are recognised as "Project Work in Progress".

Project work in progress comprise specific contract costs and other directly attributable overheads including borrowing costs which can be allocated on specific contract cost is, valued at lower of cost and net realisable value.

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

l) Impairment of non-financial assets

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

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

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

Impairment losses including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an

Notes to the Financial Statements for the year ended March 31, 2017

indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at every year end and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at year end at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

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.

Operational Claim provisions

Provisions for operational claims are recognised when the service is provided to the customer. Further recognition is based on historical experience. The initial estimate of operational claim related cost is revised annually.

n) Retirement and other employee benefits

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

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

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

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

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

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

o) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments, derivative financial instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

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

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

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

The category is 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 except where the Company has given temporary waiver of interest not exceeding 12 months period. This category generally applies to trade, loans and other receivables.

Debt instrument at FVTPL

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

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

Equity investments

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

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

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

Notes to the Financial Statements for the year ended March 31, 2017

Perpetual debt

The Company invests in a subordinated perpetual debt, redeemable at the issuer's option, with a fixed coupon that can be deferred indefinitely if the issuer does not pay a dividend on its equity shares. The Company classifies these instrument as equity under Ind AS 32.

Derecognition

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

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

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

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

Impairment of financial assets

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

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

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

c) Lease receivables under Ind AS 17

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

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

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

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

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

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

Notes to the Financial Statements for the year ended March 31, 2017

Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:

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 including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

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

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

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value through profit or loss (FVTPL), adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Notes to the Financial Statements for the year ended March 31, 2017

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

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

q) Redeemable preference shares

Redeemable preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the redeemable preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on redemption.

Transaction costs are apportioned between the liability and equity components of the redeemable preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

r) Cash and cash equivalents

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

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

Notes to the Financial Statements for the year ended March 31, 2017

s) **Cash dividend to equity holders of the company**

The Company recognises a liability to make cash to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

t) **Earnings per share**

Basic earnings per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period, adjusted for scheme of demerger whereby new equity shares were issued and existing share cancelled during the previous year.

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

2.3 Significant accounting judgments, estimates and assumptions

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

Judgements

In the process of applying the Company's accounting policies, Management has made the following judgement, which has the most significant effect on the financial statements.

Proposed sale of Marine Business Undertaking under the Scheme of Arrangement:

On February 14, 2017, the Board of Directors announced its decision to demerge Marine Business Operations of piloting and movement of vessels using tugs, berthing and de-berthing of vessels using tugs, marine logistic support services, towage and transshipment within in-land waterways, in coastal waters and sea, through the proposed Scheme of Arrangement to a wholly owned subsidiary. The demerger transaction under the scheme is subject to the approval of creditors, shareholders and National Company Law Tribunal ("NCLT") and said approval are pending at year end. Considering the above approvals to be substantive requirements, no adjustment has been made for the accounting treatment proposed in the aforesaid scheme, in the financial statements.

Carrying value of net assets of the Marine Business Operations as at March 31, 2017 is ₹397.16 crores (excluding borrowings of ₹111.21 crores). Also refer note 42(a).

Entity in which the Company holds less than a majority of voting rights (de facto control:)

The Company considers that it controls Dholera Infrastructure Private Limited (DIPL) even though it owns less than 50% of the voting rights. The Company is holding 49% equity interest in DIPL with the remaining 51% being held by another shareholder. Based on evaluation of terms and conditions of share purchase agreement, the Company is exposed and has rights to variable returns of DIPL and has ability to affect those returns through its power given under share purchase agreements.

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.

Notes to the Financial Statements for the year ended March 31, 2017

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill with indefinite useful lives recognised by the Company. The key assumptions used to determine the recoverable amount for the CGU, are disclosed and further explained in note 3(b).

Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in note 26.

Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in note 29.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. refer note 33 for further disclosures.

Provision for Decommissioning Liabilities

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

3. PROPERTY, PLANT EQUIPMENT, INTANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS

Note 3(a) Property Plant and Equipment

(₹ in crore)

Particulars	Free Hold Land	Buildings, Roads and Civil Infrastructure	Computer Hardware	Lease hold land	Land Development cost	Office Equipments	Plant & Machinery	Furniture & Fixture	Vehicles	Dredged Channels	Marine Structures	Railway Tracks	Tugs and Boats	Project Assets	Total
Cost															
As at April 1, 2015 (refer note 44.1(a))	**390.35**	**1,416.77**	**19.66**	**4.11**	**262.59**	**10.94**	**1,843.22**	**11.82**	**19.39**	**1,499.33**	**1,292.55**	**268.46**	**402.47**	**963.70**	**8,405.36**
Additions on Scheme of Arrangement (refer note 42(b))	-	1.50	-	-	2.13	-	0.44	0.03	-	-	1.40	-	22.43	-	27.93
Additions	7.55	52.86	1.88	-	30.12	4.62	137.27	1.58	0.15	117.33	0.04	2.75	3.92	39.35	399.42
Deductions/Adjustment	(3.54)	(0.96)	-	-	-	(0.88)	(14.18)	-	(0.47)	-	-	-	-	(2.97)	(23.00)
Exchange difference	-	33.04	0.71	-	1.44	0.34	65.78	-	-	11.14	41.19	7.61	23.80	46.45	231.50
As at March 31, 2016	**394.36**	**1,503.21**	**22.25**	**4.11**	**296.28**	**15.02**	**2,032.53**	**13.43**	**19.07**	**1,627.80**	**1,335.18**	**278.82**	**452.62**	**1,046.53**	**9,041.21**
Additions	19.99	51.79	5.82	61.25	12.46	14.66	131.38	2.49	1.30	288.65	(0.53)	0.09	1.50	44.66	635.51
Deductions/Adjustment	(2.05)	(0.08)	-	-	-	-	(1.86)	-	(0.21)	-	(0.09)	-	(0.07)	(199.36)	(203.72)
Exchange difference	-	(8.30)	(0.49)	-	0.27	0.61	(20.65)	-	-	0.75	(14.04)	(2.33)	(1.46)	(20.88)	(66.52)
As at March 31, 2017	**412.30**	**1,546.62**	**27.58**	**65.36**	**309.01**	**30.29**	**2,141.40**	**15.92**	**20.16**	**1,917.20**	**1,320.52**	**276.58**	**452.59**	**870.95**	**9,406.48**
Depreciation/amortisation															
As at April 1, 2015	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	-	(123.59)	(7.19)	(0.26)	(16.81)	(3.63)	(181.08)	(2.50)	(4.23)	(29.50)	(31.56)	(33.63)	(31.61)	(111.49)	(577.08)
Deductions/(Adjustment)	-	0.03	-	-	-	0.16	1.16	-	0.10	-	-	-	-	0.59	2.04
As at March 31, 2016	**-**	**(123.56)**	**(7.19)**	**(0.26)**	**(16.81)**	**(3.47)**	**(179.92)**	**(2.50)**	**(4.13)**	**(29.50)**	**(31.56)**	**(33.63)**	**(31.61)**	**(110.90)**	**(575.04)**
Depreciation for the year	-	(118.38)	(6.89)	(1.86)	(15.88)	(5.54)	(185.73)	(2.44)	(3.93)	(34.36)	(29.32)	(33.43)	(31.50)	(137.53)	(606.79)
Deductions/(Adjustment)	-	-	-		-	-	0.21	-	0.13	-	0.03	-	0.01	103.05	103.43
As at March 31, 2017	**-**	**(241.94)**	**(14.08)**	**(2.12)**	**(32.69)**	**(9.01)**	**(365.44)**	**(4.94)**	**(7.93)**	**(63.86)**	**(60.85)**	**(67.06)**	**(63.10)**	**(145.38)**	**(1,078.40)**
Net Block															
As at March 31, 2017	412.30	1,304.68	13.50	63.24	276.32	21.28	1,775.96	10.98	12.23	1,853.34	1,259.67	209.52	389.49	725.57	8,328.08
As at March 31, 2016	394.36	1,379.65	15.06	3.85	279.47	11.55	1,852.61	10.93	14.94	1,598.30	1,303.62	245.19	421.01	935.63	8,466.17
As at April 1, 2015	390.35	1,416.77	19.66	4.11	262.59	10.94	1,843.22	11.82	19.39	1,499.33	1,292.55	268.46	402.47	963.70	8,405.36

Notes to the Financial Statements for the year ended March 31, 2017

Note 3(a) Property Plant and Equipment (contd.)

i) Depreciation of ₹71.11 crore (previous year ₹61.52 crore) relating to the project assets has been allocated to Capitalisation / Capital Work in progress.

ii) Freehold Land includes land development cost of ₹12.56 crore (previous year ₹12.56 crore).

iii) Plant and Equipment includes cost of Water Pipeline amounting to ₹6.65 crore (Gross) (previous year ₹6.65 crore), accumulated depreciation ₹4.07 crore (previous year ₹3.67 crore) which is constructed on land not owned by the Company.

iv) Buildings includes 612 residential flats (previous year 588 flats) and a hostel building valuing ₹139.94 crore (previous year ₹131.04 crore) at Samudra Township, Mundra, which are pending to be registered in Company's name. Further an advance of ₹8.19 crores (previous year ₹22 crore) is also paid to purchase additional flats / hostel building.

v) As a part of concession agreement for development of port and related infrastructure at Mundra the Company has been allotted land on lease basis by Gujarat Maritime Board (GMB). The Company has recorded rights in the GMB Land at present value of future annual lease payments in the books and classified the same as lease hold land.

vi) Land development cost on leasehold land includes costs incurred towards reclaimed land of ₹202.21 crore (previous year ₹202.21 crore). The cost has been estimated by the management, being cost allocated out of the dredging activities approximate the actual cost.

vii) Reclaimed land measuring 1,271.58 hectare are pending to be registered in the name of the Company.

viii) Project Assets include dredgers and earth moving equipments.

ix) Land Development cost and Right to use on Leasehold Land includes Land taken on Finance Lease Basis:

Gross Block as at March 31, 2017 - ₹4.11 crore (previous year - ₹4.11 crore and April 01, 2015 - ₹4.11 crores)

Depreciation for the year: ₹0.26 crore (previous year - ₹0.27 crore)

Accumulated Deprecation as at March 31, 2017 - ₹0.53 crore (previous year - ₹0.27 crores and April 01, 2015 - NIL)

Net Block as at March 31, 2017 - ₹3.58 crores (previous year - ₹3.85 crores and April 01, 2015 - ₹4.11 crores)

x) Free hold Land includes Land given on Operating Lease Basis:

Gross Block as at March 31, 2017 - ₹7.02 crore (previous year - ₹6.68 crore and April 01, 2015 - ₹6.68 crores)

Accumulated Depreciation for the year: ₹0.43 crore (previous year - ₹0.37 crore and April 01, 2015 ₹0.31 crore)

Net Block as at March 31, 2017 - ₹ 6.59 crores (previous year - ₹6.31 crores and April 01, 2015 - ₹6.37 crores)

Notes to the Financial Statements for the year ended March 31, 2017

Note 3(b) Intangible Assets

(₹ in crore)

Particulars	Goodwill	Software	Total
Cost			
As at April 1, 2015 (refer note 44.1(a))	**44.86**	**12.97**	**57.83**
Additions	-	0.24	0.24
Transfer / Capitalised from CWIP	-	3.07	3.07
As at March 31, 2016	**44.86**	**16.28**	**61.14**
Exchange difference	-	(0.21)	(0.21)
Transfer / Capitalised from CWIP	-	9.35	9.35
As at March 31, 2017	**44.86**	**25.42**	**70.28**
Depreciation/amortisation			
As at April 1, 2015	-	-	-
Depreciation for the year	-	(3.74)	(3.74)
As at March 31, 2016	**-**	**(3.74)**	**(3.74)**
Depreciation for the year	-	(5.03)	(5.03)
As at March 31, 2017	**-**	**(8.77)**	**(8.77)**
Net Block			
As at March 31, 2017	44.86	16.65	61.51
As at March 31, 2016	44.86	12.54	57.40
As at April 1, 2015	44.86	12.97	57.83

Goodwill acquired through business combination pertains to cash generating units (CGUs) which are part of 'Port and SEZ activities segment. The goodwill is tested for impairment annually. As at March 31, 2017, March 31, 2016 and April 01, 2015, the goodwill is not impaired.

The recoverable amount of the CGUs are determined from value -in-use calculation. The key assumptions for the value-in-use calculations are those regarding the discount rate, growth rates and expected changes to direct costs during the year. Management estimates discount rate using pre-tax rates that reflect current market assessments of the time value of money. The growth rate are based management's forecasts . Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Company prepares its forecasts based on the most recent financial budget approved by management with projected revenue growth rates raging from 6% to 20 % the rate used to discount the forecast is 8.5% p.a.

The management believe that any reasonable possible change in any these assumptions would not cause the carrying amount to exceed its recoverable amount.

Note 3(c) Capital Work in Progress

(₹ in crore)

Particulars	Amount
As at March 31, 2017	1,458.08
As at March 31, 2016	856.60
As at April 01, 2015	663.19

refer note 35 for break up of Significant component in Capital Work in Progress

Notes to the Financial Statements for the year ended March 31, 2017

4 NON CURRENT INVESTMENTS

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Trade Investments			
Unquoted			
In Equity Shares of Company [(Investment at fair value through OCI) (refer note (e) below)]			
5,00,00,000 (previous year 5,00,00,000 and April 01, 2015 - 5,00,00,000) fully paid Equity Shares of ₹10 each of Kutch Railway Company Limited.	200.00	188.15	167.05
5,50,000 (previous year 5,50,000 and April 01, 2015 - NIL) fully paid Equity Share of ₹10 each of Mundra Solar Technopark Private Limited	0.94	0.88	-
1,000 (previous year 1,000 and April 01, 2015 - 1,000) fully paid Equity Shares of AUD 1 each of Mundra Port Pty Ltd.	*-	*-	*-
Total FVTOCI Investment	**200.94**	**189.03**	**167.05**
In Equity Shares of subsidiaries (valued at cost)			
32,50,00,000 (previous year 32,50,00,000 and April 01, 2015 - 32,50,00,000) fully paid Equity Shares of ₹10 each of Adani Logistics Limited (refer note (f) below)	351.00	351.00	325.05
25,61,53,846 (previous year 25,61,53,846 and April 01, 2015 - 25,61,53,846) fully paid Equity Shares of ₹10 each of Adani Petronet (Dahej) Port Private Limited	256.15	256.15	256.15
24,50,000 (previous year 24,50,000 and April 01, 2015 - 24,50,000) fully paid Equity Shares of ₹10 each of Mundra SEZ Textile and Apparel Park Private Limited (refer note c(ii) below)	2.45	2.45	2.45
4,50,00,000 (previous year 4,50,00,000 and April 01, 2015 - 4,50,00,000) fully paid Equity Shares of ₹10 each of Karnavati Aviation Private Limited (refer note (f) below)	50.92	50.25	45.00
1,31,35,000 (previous year 1,31,35,000 and April 01, 2015 - 1,31,35,000) fully paid Equity Shares of ₹10 each of MPSEZ Utilities Private Limited (refer note (f) below)	52.53	52.53	52.53
11,58,88,500 (previous year 8,57,57,500 and April 01, 2015 -8,57,57,500) fully paid Equity Shares of ₹10 each of Adani Murmugao Port Terminal Private Limited (refer note (d) below)	115.89	85.76	85.76
35,00,000 (previous year 35,00,000 and April 01, 2015 -15,00,000) fully paid Equity Shares of ₹10 each of Mundra International Airport Private Limited (refer note (f) below)	5.05	3.53	1.50
71,54,70,000 (previous year 71,54,70,000 and April 01, 2015 - 71,54,70,000) fully paid Equity Shares of ₹10 each of Adani Hazira Port Private Limited	715.47	715.47	715.47
10,12,80,000 (previous year 10,12,80,000 and April 01, 2015 - 10,12,80,000) fully paid Equity Shares of ₹10 each of Adani Vizag Coal Terminal Private Limited (refer note (c)(i) below)	101.28	101.28	101.28
12,00,50,000 (previous year 8,88,37,000 and April 01, 2015 -1,48,37,000) fully paid Equity Shares of ₹10 each of Adani Kandla Bulk Terminal Private Limited (refer note c(ii) and (d) below)	120.05	88.84	14.84
50,000 (previous year 50,000 and April 01, 2015 -50,000) fully paid Equity Shares of ₹10 each of Adani Warehousing Service Private Limited	0.05	0.05	0.05

Notes to the Financial Statements for the year ended March 31, 2017

4 NON CURRENT INVESTMENTS (contd.) (₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
3,00,000 (previous year 3,00,000 and April 01, 2015 - 3,00,000) fully paid Equity Shares of ₹10 each of Adani Hospitals Mundra Private Limited (refer note (f) below)	1.23	0.32	0.30
NIL (previous year NIL and April 01, 2015 - 50,000) fully paid Equity Share of ₹10 each of Mundra Solar Technopark Private Limited	-	-	0.05
50,000 (previous year 50,000 and April 01, 2015 - 50,000) fully paid Equity Shares of ₹10 each of Adani Ennore Container Terminal Private Limited	0.05	0.05	0.05
50,000 (previous year 50,000 and April 01, 2015 - NIL) fully paid Equity Share of ₹10 each of Adani Kattupalli Port Private Limited	0.05	0.05	-
19,99,56,300 (previous year 50,000 and April 01, 2015 - NIL) fully paid Equity Share of ₹10 each of Adani Vizhinjam Port Private Limited	199.96	0.05	-
NIL(previous year 50,000 and April 01, 2015 - NIL) fully paid Equity Share of ₹10 each of Mundra LPG Terminal Private Limited (Formerly know as Adani LPG terminal Private Limited)	-	0.05	-
50,000 (previous year 50,000 and April 01, 2015 - NIL) fully paid Equity Share of ₹10 each of Shanti Sagar International Dredging Private Limited (formerly known as Adani Food and Agro Processing Park Private Limited)	0.05	0.05	-
1,14,80,00,000 (previous year 1,14,80,00,000 and April 01, 2015- 1,14,80,00,000) fully paid Equity Shares of ₹10 each of The Dhamra Port Company Limited (refer note (f) below)	2,921.00	2,742.69	2,742.69
1,01,000 (previous year 1,000 and April 01, 2015 - NIL) fully paid Equity Shares of AUD 1 each of Abbot Point Operations Pty Limited (refer note (f) below)	12.85	*-	-
5,76,92,155 (previous year NIL and April 01, 2015 - NIL) Equity Shares of ₹10 each of The Adani Harbour Services Private Limited (formerly known as TM Harbour Services Private Limited)	106.26	-	-
2,00,000 (previous year NIL and April 01, 2015 - NIL) Equity Shares of ₹10 each of Adani Petroleum Terminal Private Limited	0.20		
50,000 (previous year NIL and April 01, 2015 - NIL) Equity Shares of ₹10 each of Mundra LPG Infrastructure Private Limited (Formerly know as Hazira Road Infrastructure Private Limited)	0.05	-	-
11,850 (previous year 11,850 and April 01, 2015 - 11,850) fully paid Equity Shares of ₹100 each of Adinath Polyfills Private Limited (Acquisition of Controlling Interest in Equity Shares of Company)	38.51	38.51	38.51
4,900 (previous year 4,900 and April 01, 2015 - 4,900) fully paid Equity Shares of ₹10 each of Dholera Infrastructure Private Limited	*-	*-	*-
	5,051.05	**4,489.08**	**4,381.68**
In Equity Shares of jointly controlled entities (valued at cost)			
31,02,01,040 (previous year 31,02,01,040 and April 01, 2015 - 31,02,01,040) fully paid Equity Shares of ₹10 each of Adani International Container Terminal Private Limited (refer note (f) below)	321.78	321.78	310.20

Notes to the Financial Statements for the year ended March 31, 2017

4 NON CURRENT INVESTMENTS (contd.)

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
3,03,95,000 (previous year 3,03,95,000 and April 01, 2015 -3,03,95,000) fully paid Equity Shares of ₹10 each of Adani CMA Mundra Terminal Private Limited (refer note (f) below)	34.88	34.88	30.40
	356.66	**356.66**	**340.60**
Investment in Cumulative Convertible Redeemable Debenture (valued at amortised cost)			
245,70,00,000 (previous year NIL April 01, 2015 - NIL) 9% Cumulative Convertible Redeemable Debenture of ₹10 each of The Dhamra Port Company Limited	2,457.00	-	-
Investment in Perpetual Non-convertible Debenture (valued at cost) (refer note 2.1(o)) and note (g) below)			
145,00,00,000 (previous year NIL April 01, 2015 - NIL) 7.5% Unsecured Perpetual Non Convertible Debentures of ₹10 each of Adani Kattupalli Port Private Limited	1,450.00	-	-
Non trade investments (valued at cost unless stated otherwise)			
Investment in Debentures (valued at amortised cost)			
NIL (previous year 15,000 and April 01, 2015 - NIL) 10.25% Non-Convertible Redeemable Debenture of ₹1,00,000 each of RBL Bank Limited	-	150.00	-
	9,515.65	**5,184.77**	**4,889.33**

* Figures being nullified on conversion to ₹in crore.

Notes:

a) Aggregate cost of unquoted investments as at March 31, 2017 ₹9,515.65 crore (previous year ₹5,184.77 crore and April 01, 2015 ₹4,889.33 crore).

b) Number of Share pledged with banks against borrowings by the respective companies as per below.

Particulars	No of Share Pledged		
	March 31, 2017	March 31, 2016	April 01, 2015
Subsidiary Companies			
(i) Adani Petronet (Dahej) Port Private Limited	103,845,494	103,845,494	103,845,494
(ii) Adani Murmugao Port Terminal Private Limited	-	-	13,305,000
(iii) Adani Hazira Port Private Limited	195,000,000	195,000,000	195,000,000
(iv) Adani Vizag Coal Terminal Private Limited	-	26,332,800	26,332,800
(v) The Dhamra Port Company Limited	344,400,000	194,400,000	194,400,000
Jointly Controlled Entities			
(i) Adani International Container Terminal Private Limited	80,802,270	80,802,270	80,802,270
Others			
(i) Mundra Port Pty Limited	1,000	1,000	1,000
	724,048,764	600,381,564	613,686,564

c) (i) The Company is carrying equity investment of ₹101.28 crore and has outstanding net term loan of ₹290.09 crore in a subsidiary, engaged in Port services under concession from one of the port trust authorities of the Government of India. This subsidiary company is temporarily not operating the port operations since January 2016 due to various operational bottlenecks, unviability of operating the port terminal, pending resolution to management's representation to port regulatory authorities and Ministry of Shipping in the matter. The management of the subsidiary company expects to have early resolution to operational issues at Port terminal whereby long term sustainability of the operations is achievable with adequate cash flows. The subsidiary had incurred net cash loss in current year as well as previous

4 NON CURRENT INVESTMENTS (contd.)

year and has accumulated losses of ₹137.99 crores as at March 31, 2017, whereby subsidiary company's net worth has become negative. The Company has undertaken to provide such financial support, as necessary, to enable the subsidiary company to meet the operational requirements as they arise and to meet its liabilities as and when they fall due and does not expect any impairment provision against its exposure. Accordingly, financial statements of the subsidiary company have been prepared on a 'going concern' basis, no provision/adjustments to the carrying value of the said investments/loans is considered necessary by the management as at March 31, 2017.

(ii) The Company is carrying equity investments of ₹122.50 crore and has outstanding net term loans and advances of ₹1,170.51 crore, in subsidiary companies engaged in Port services under concession agreement with the port trust authorities of Government of India and in business of development of integrated textile park at Mundra SEZ. The net worth of these Companies have been eroded based on the latest financial Statements.

As per the management, considering the gestation period required for break even for such infrastructure investment projects, expected higher cash flows based on future business projections prepared by the management and the strategic nature of these investments, no provision/adjustment to the carrying value of such investment project / loans is considered necessary by the management as at March 31, 2017.

d) During the year ended March 31, 2017, the Company has accounted for purchase of 31,213,000 and 30,131,014 numbers of equity shares in two subsidiaries, Adani Kandla Bulk Terminal Private Limited and Adani Murmugao Port Terminal Private Limited, respectively at total consideration of ₹61.34 crores. The equity shares has been purchased from the Adani Enterprises Limited, a group company whereby these entities have become wholly owned subsidiaries. As per the management, the transfer has been recorded based on Irrevocable Letter of Affirmation dated March 31, 2017 from the seller and acceptance by the Company although legal transfer of such equity share is still in process at year end.(Also refer note 31).

e) Reconciliation of Fair value measurement of the investment in unquoted equity shares

(₹ in crore)

	March 31, 2017	March 31, 2016
Opening Balance	189.03	167.05
Add : Investment made during the year	-	0.55
Fair value Gain /(Loss) recognised in Other Comprehensive Income	11.91	21.43
Closing Balance	**200.94**	**189.03**

f) Value of Deemed Investment accounted in subsidiaries and jointly controlled entities in terms of fair valuation under Ind AS 109

(₹ in crore)

	March 31, 2017	March 31, 2016	April 01, 2015
i) Adani Logistics Limited	25.93	25.93	-
ii) Karnavati Aviation Private Limited	5.92	5.26	-
iii) MPSEZ Utilities Private Limited	0.02	-	-
iv) Mundra International Airport Private Limited	1.55	0.03	-
v) Adani Hospitals Mundra Private Limited	0.93	0.02	-
vi) The Dhamra Port Company Limited	178.31	-	-
vii) Abbot Point Operations Pty Limited	12.34	-	-
viii) Adani International Container Terminal Private Limited	11.57	11.58	-
ix) Adani CMA Mundra Terminal Private Limited	4.48	4.48	-
	241.05	**47.30**	**-**

g) Investment in Perpetual Non-convertible Debenture is redeemable at issuer's option and redemption can be deferred indefinitely.

Notes to the Financial Statements for the year ended March 31, 2017

5 TRADE RECEIVABLES (UNSECURED, UNLESS OTHERWISE STATED)

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Trade Receivable						
- Considered Good	2.54	5.36	82.72	1,036.53	662.08	790.31
- Considered Doubtful	-	-	-	1.60	1.60	1.45
Receivable from related parties, unsecured considered good (refer note 31)	-	-	341.70	755.56	898.97	408.34
	2.54	**5.36**	**424.42**	**1,793.69**	**1,562.65**	**1,200.10**
Less : Allowances for Doubtful debts	-	-	-	(1.60)	(1.60)	(1.45)
	2.54	**5.36**	**424.42**	**1,792.09**	**1,561.05**	**1,198.65**
Customer Bill Discounted	-	-	-	663.48	379.79	449.67
Other Trade Receivable	2.54	5.36	424.42	1,128.61	1,181.26	748.98
Total Receivable	**2.54**	**5.36**	**424.42**	**1,792.09**	**1,561.05**	**1,198.65**

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, a director or a member.

b) Generally, as per credit terms trade receivable are collectable within 30-180 days although the Company provide extended credit period with interest between 8% to 10% considering business and commercial arrangements with the customers including with the related parties. Receivable of ₹7.91 crore (previous year ₹16.09 crore and April 01, 2015 ₹35.52 crore) are contractually collectable on deferred basis.

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

The relevant carrying amounts are as follows: (₹ in crore)

	March 31, 2017	March 31, 2016	April 01, 2015
Total transferred receivables	663.48	379.79	449.67
Associated unsecured borrowing (refer note 17)	663.48	379.79	449.67

6 LOANS (UNSECURED UNLESS OTHERWISE STATED)

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Loans to Related Parties (refer note 31)						
Considered Good (also refer note 4(c))	5,952.23	5,033.30	2,761.82	1,781.99	1,701.09	2,277.17
Considered Doubtful	9.95	-	-	5.56	-	-
Loan to others (refer note below)						
Considered Good	-	1,501.62	3.06	1,687.39	398.25	1,273.15
Considered Doubtful	0.75	0.75	-	-	-	-
	5,962.93	**6,535.67**	**2,764.88**	**3,474.94**	**2,099.34**	**3,550.32**
Less: Allowances for doubtful loans	(10.70)	(0.75)	-	(5.56)	-	-
	5,952.23	**6,534.92**	**2,764.88**	**3,469.38**	**2,099.34**	**3,550.32**

Notes to the Financial Statements for the year ended March 31, 2017

6 LOANS (UNSECURED UNLESS OTHERWISE STATED) (contd.)

Notes:

a) The Company has granted interest bearing loans in the nature of inter-corporate loans and deposits aggregating NIL (previous year ₹2,325.84 crore and April 01, 2015 ₹2,137.87 crore)(including renewals on due dates) as at March 31, 2017 to its subsidiaries and other related parties, excluding loans / deposits granted to subsidiaries towards funding of development of specific ports and related infrastructure. The funds are advanced based on the business needs and exigencies and other cases to invest surplus fund or gave loans / deposits to avail future commercial benefits with an option to purchase underlying assets.

b) Further, the Company has also extended inter-corporate deposits aggregating ₹1,345.14 crore (previous year ₹1,217.37 and April 01, 2015 ₹1,261.35 crore) (Including renewals on due dates) to third parties. The deposits are given at prevailing market interest rates. The inter-corporate deposits have been approved by the Finance committee of the Board of Directors .

The Company has received adequate undertaking on record by its promotors' company to safeguard the full recovery of this amount together with the interest. In the opinion of the Company, all these loans /deposits are considered good and realisable as at the year end.

7 OTHER FINANCIAL ASSETS

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Security deposit (Unsecured, unless otherwise stated) (refer note 31)						
Considered good	166.17	906.05	278.07	0.44	0.32	23.29
Considered doubtful	-	-	-	7.27	7.27	-
	166.17	**906.05**	**278.07**	**7.71**	**7.59**	**23.29**
Allowances for Doubtful Deposit	-	-	-	(7.27)	(7.27)	-
	166.17	**906.05**	**278.07**	**0.44**	**0.32**	**23.29**
Loan and advances to Employees	2.36	2.06	1.80	2.26	1.49	1.59
Advance against Equity Investment (refer note 31)	-	302.00	-	-	-	-
Land Lease Receivable (refer note 20 (iii))	581.52	491.89	217.34	2.87	2.59	1.57
Bank Deposit with original maturity of more than twelve months and margin money deposits (refer note 11)	44.67	128.74	22.40	-	-	-
Interest Accrued (refer note 31)	-	-	68.14	658.39	327.86	292.88
Receivable against Sale of Investment (refer note 38(m) and 31)				85.13	87.54	81.62
Non Trade receivable	-	-	2.76	8.99	13.07	9.90
Derivatives not designated as Hedges / Forward Contracts Receivable	6.50	-	-	77.04	-	-
Gratuity Assets (refer note 29)	-	-	-	0.68	-	-
Financial Guarantee received	8.74	13.10	17.22	-	-	-
	809.96	**1,843.84**	**607.73**	**835.80**	**432.87**	**410.85**

Notes to the Financial Statements for the year ended March 31, 2017

8 OTHER ASSETS

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Capital advances (also refer note 31)						
Secured, considered good	1.66	119.86	42.64	-	-	-
Unsecured, considered good	257.76	123.03	98.43	-	-	-
Unsecured, doubtful	10.59	5.24	-	-	-	-
	270.01	**248.13**	**141.07**	**-**	**-**	**-**
Less: Allowances for doubtful advance	(10.59)	(5.24)	-	-	-	-
	259.42	**242.89**	**141.07**	**-**	**-**	**-**
Balance with Govt Authorities	4.50	4.50	4.50	44.34	30.86	17.80
Deposits Given (unsecured, considered good)	115.05	-	-	-	48.05	-
Prepaid Expenses	61.08	66.28	71.04	5.18	0.34	1.38
Project work in progress (refer note 9)	935.17	682.75	123.06	-	-	-
Assets Held for sale (refer note 37)	-	-	-	93.12	-	-
Accrued Income	-	-	-	217.30	225.68	260.43
Advances recoverable in cash or in kind or for value to be received (refer note 31)	-	-	-	346.49	331.09	77.81
Other Current Assets (refer note 2.2 (e))	-	-	-	194.52	-	-
Taxes recoverable (net of provision) (refer note 26)	11.97	8.16	29.58	-	-	-
	1,387.19	**1,004.58**	**369.25**	**900.95**	**636.02**	**357.42**

Notes:

a) Capital advance includes ₹79.10 crore (previous year ₹72.85 and April 01,2015 ₹64.87 crore) paid to various private parties and government authorities towards purchase of land.

b) The Company has received bank guarantees of ₹1.66 crore (previous year ₹119.86 crore and April 01,2015 ₹42.64 crore) against capital advances.

9 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Stores and Spares, Fuel and Lubricants	-	-	-	134.00	124.82	179.46
Project work in progress (refer note 41(b) and (c))	935.17	682.75	123.06	389.00	-	-
	935.17	**682.75**	**123.06**	**523.00**	**124.82**	**179.46**
Amount disclosed under non-current assets (refer note 8)	(935.17)	(682.75)	(123.06)	-	-	-
	-	**-**	**-**	**523.00**	**124.82**	**179.46**

Notes to the Financial Statements for the year ended March 31, 2017

10 CURRENT INVESTMENTS

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Unquoted mutual funds (valued at fair value through profit and loss)			
NIL (previous year 91,03,405.584 units and April 01, 2015 NIL) of ₹10 each in DSP Black Rock Ultra Short term fund Direct Plan Growth	-	10.00	-
NIL (previous year 2,36,75,214.708 units and April 01, 2015 NIL) of ₹10 each in JM High Liquidity Fund (Direct) -growth option Direct Plan Growth	-	98.10	-
NIL (previous year 77,08,317.274 units and April 01, 2015 NIL) of ₹10 each in LIC NOMURA MF Income Plus Fund - Direct - Growth Plan	-	15.00	-
NIL (previous year 23,812.968 units and April 01, 2015 NIL) of ₹10 each in Reliance Liquid Fund Treasury Plan Direct growth Plan	-	5.00	-
NIL (previous year NIL and April 01, 2015 - 23,812.968 units) of ₹10 each in Reliance Liquid Fund Treasury Plan Direct growth Plan	-	-	20.02
NIL (previous year NIL and April 01, 2015 -9,98,496.517 units) of ₹10 each in Birla Sun Life Cash Plus Daily Div - Direct Plan - Reinvest	-	-	10.00
NIL (previous year NIL and April 01,2015-12,79,728.144 units) of ₹10 each in ICICI Prudential Liquid Direct Plan-Daily Dividend	-	-	12.80
NIL (previous year NIL and April 01, 2015 -49,998.666 units) of ₹10 each in Pramerica Liquid Fund Direct Plan - Daily Dividend – Reinvest	-	-	5.00
NIL (previous year NIL and April 01, 2015 - 14,95,641.577 units) of ₹10 each in SBI Premier Liquid Fund Direct Plan - Daily Dividend	-	-	150.06
NIL (previous year NIL and April 01, 2015 -16,94,771.63 units) of ₹10 each in Sundaram Money Fund Direct Plan-Growth	-	-	5.00
2,50,000 (previous year NIL units and April 01, 2015 NIL) of ₹10 each in HDFC Mutual Fund	0.25	-	-
Investment in Commercial Papers (CP) (valued at amortised cost)			
Commercial Papers of ECAP Equities Limited	465.84	-	-
Commercial Papers of L &T Finance Limited	251.65	-	-
Investment in Debentures (valued at amortised cost)			
1,770 (previous year NIL units and April 01, 2015 NIL) 8.75 % Non-Convertible Redeemable Debentures of ₹10,00,000 each of JM Financial Products Limited	177.00	-	-
	894.74	**128.10**	**202.88**
Aggregate carrying value of unquoted Mutual Funds	0.25	128.10	202.88
Aggregate net assets value of unquoted Mutual Funds	0.25	128.10	202.88
Aggregate carrying value of unquoted investment in Commercial Papers and Debentures	894.49	-	-

Note; Investments in commercial papers of ECAP Equities Limited and L&T Finance Limited and debentures of JM Financial Products Limited are A1+ and AA / Stable rated instruments, respectively.

Notes to the Financial Statements for the year ended March 31, 2017

11 CASH AND BANK BALANCES

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Cash and Cash Equivalents						
Balances with banks:						
Balance in current account	-	-	-	520.43	448.35	31.72
Deposits with original maturity of less than three months	-	-	-	28.00	100.00	310.24
In Current Account (earmarked for Unpaid Dividend) /share application Refund	-	-	-	0.82	1.50	1.04
Cheque on hand	-	-	-	-	150.00	100.00
Cash on hand	-	-	-	0.02	0.02	0.01
	-	**-**	**-**	**549.27**	**699.87**	**443.01**
Other bank balances						
Deposits with original maturity over 3 months but less than 12 months	-	-	-	999.63	213.58	0.01
Bank Deposit with original maturity of more than twelve months	-	106.94	22.40	-	-	-
Margin Money deposits	44.67	21.80	*	3.11	24.17	52.81
	44.67	**128.74**	**22.40**	**1,002.74**	**237.75**	**52.82**
Amount disclosed under Non- Current Financial Assets (refer note 7)	(44.67)	(128.74)	(22.40)	-	-	-
	-	**-**	**-**	**1,552.01**	**937.62**	**495.83**

*- Figure being nullified on conversion of ₹in crore

Note: Margin Money and Fixed Deposit includes ₹47.78 crore (previous year ₹45.97 crore and April 01,2015 ₹52.81 crore) pledged / lien against bank guarantees, letter of credit and other credit facilities.

12 EQUITY

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Equity share capital			
Authorized shares			
4,97,50,00,000 (previous year 4,97,50,00,000 and April 01, 2015 - 4,97,50,00,000) Equity Shares of ₹2 each	995.00	995.00	995.00
	995.00	**995.00**	**995.00**
Issued, subscribed and fully paid-up share capital			
2,07,09,51,761 (previous year 2,07,09,51,761 and April 01, 2015- 2,07,00,51,620) fully paid up Equity Shares of ₹2 each.	414.19	414.19	414.01
	414.19	**414.19**	**414.01**

Notes to the Financial Statements for the year ended March 31, 2017

12 EQUITY (contd.)

a) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

Equity Shares	March 31, 2017		March 31, 2016	
	No	₹ In Crore	No	₹ In Crore
At the beginning of the year	2,070,951,761	414.19	2,070,051,620	414.01
Add- Issued during the year (refer note 42(b))	-	-	1,553,261,781	310.65
Less- Cancelled during the year (refer note 42(b))	-	-	(1,552,361,640)	(310.47)
Outstanding at the end of the year	**2,070,951,761**	**414.19**	**2,070,951,761**	**414.19**

Terms/rights attached to equity shares

(i) The Company has only one class of equity share having par value of ₹2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

(ii) For the current financial year 2016-17, the Company has proposed dividend per share to equity shareholder of ₹1.30 (declared for the previous financial year interim dividend per share ₹1.10)

(iii) 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.

b) During the year ended March 31, 2016, the Company had given effect of composite scheme of arrangement w.e.f. April 01, 2015 as per sanction of Honorable High Court of Gujarat and filing of scheme with Registrar of Companies. In accordance with the terms of the scheme of arrangement, the Company has issued new equity shares to the equity shareholders of Adani Enterprises Limited ("AEL") in the ratio of 14,123 equity shares having face value of ₹2 each for every 10,000 equity shares with a face value of ₹1 held by each of the equity shareholders of AEL on June 08, 2015 without payment being received in cash (refer note 42(b)).

c) **Equity Component of convertible preference share**

Equity Shares	March 31, 2017		March 31, 2016	
	No	₹ In Crore	No	₹ In Crore
At the beginning of the year	28,11,037	165.88	28,11,037	165.88
Outstanding at the end of the year	**28,11,037**	**165.88**	**28,11,037**	**165.88**

Terms of Non-cumulative redeemable preference shares

(i) The Company has outstanding 28,11,037 0.01 % Non-Cumulative Redeemable Preference Shares ('NCRPS') of ₹10 each issued at a premium of ₹990 per share. Each holder of preference shares has a right to vote only on resolutions placed before the company which directly affects the right attached to preference share holders. These shares are redeemable on March 28, 2024 at an aggregate premium of ₹278.29 crore (equivalent to ₹990.00 per share). In the event of liquidation of the Company, before redemption the holder of NCRPS will have priority over equity shares in the payment of dividend and repayment of capital. The preference shares carry fixed dividend which is non-discretionary.

(ii) Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit. Under Ind AS, the Preference Shares issued by the company classifies as Compound Financial Instrument. These non-convertible preference shares are separated into liability and equity components based on the terms of the contract. Interest on liability component is recognised as interest expense using the effective interest method.

(iii) The equity component of convertible preference shares includes the securities premium amount received on issue of preference shares and the preference share capital, redemption premium reserve being created in compliance of the Companies Act, 2013.

Notes to the Financial Statements for the year ended March 31, 2017

12 EQUITY (contd.)

d) Details of shareholders holding more than 5% shares in the company

Equity Shares	March 31, 2017		March 31, 2016		April 01, 2015	
	No	% Holding in the Class	No	% Holding in the Class	No	% Holding in the Class
Equity shares of ₹2 each fully paid						
i) Guatambhai Shantilal Adani and Rajeshbhai Shantilal Adani (on behalf of S.B. Adani Family Trust)	877,317,807	42.36%	877,317,807	42.36%	-	-
ii) Adani Properties Private Limited	-	-	140,512,153	6.78%	-	-
iii) Parsa Kante Rail Infra LLP	140,512,153	6.78%	-	-	-	-
iv) Vinodbhai Shantilal Adani	-	-	130,794,953	6.32%	-	-
v) Adani Enterprises Limited	-	-	-	-	1,552,361,640	74.99%
Non-Cumulative Redeemable Preference Shares of ₹10 each fully paid up						
Gujarat Ports Infrastructure and Development Co. Ltd.	309,213	11.00%	309,213	11.00%	309,213	11.00%
Priti G. Adani	500,365	17.80%	500,365	17.80%	500,365	17.80%
Shilin R. Adani	500,364	17.80%	500,364	17.80%	500,364	17.80%
Pushpa V. Adani	500,365	17.80%	500,365	17.80%	500,365	17.80%
Ranjan V. Adani	500,455	17.80%	500,455	17.80%	500,455	17.80%
Suvarna M. Adani	500,275	17.80%	500,275	17.80%	500,275	17.80%
	2,811,037	**100.00%**	**2,811,037**	**100.00%**	**2,811,037**	**100.00%**

13 OTHER EQUITY

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Equity Component of convertible preference share		
Opening Balance	165.88	165.88
Closing Balance	**165.88**	**165.88**
Securities Premium		
Opening Balance	2,535.70	2,644.12
Bond Issue Expense (refer note (ii) below)	-	(39.75)
Premium paid on Buy back of Debentures (refer note (iii) below)	-	(42.38)
Cost Incurred on issue of Debenture (refer note (iii) below)	-	(6.49)
Difference between Issue price and Face value of Bond (refer note (ii) below)	-	(19.80)
Closing Balance	**2,535.70**	**2,535.70**

Notes:

i) Securities premium reserve is used to record the premium on issue of shares. This reserve is utilised in accordance with the provisions of Section 52(2)(c) of the Companies Act, 2013

Notes to the Financial Statements for the year ended March 31, 2017

13 OTHER EQUITY (contd.)

ii) During the pervious year the Securities Premium account is adjusted by aggregating amount of ₹59.55 crore being the difference between the issue price and the face value of the US Dollar denominated Notes and the expenses related to issue of such Notes (USD 650 million) in terms of section 52 (2)(c) of the Companies Act, 2013 (refer note 14 (t)(i))

iii) During the pervious year the Securities Premium account is adjusted by aggregating amount of ₹48.87 crores in terms of section 52(2)(c) of the Companies Act, 2013 towards premium on early redemption of debentures and towards debenture issue expenses.

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
General Reserve		
Opening Balance	1,623.22	1,320.54
Add- Transfer from Debenture Redemption Reserve	518.33	275.88
Add- Excess of net assets taken over under scheme of arrangement (refer note 42(b))	-	26.80
Closing Balance	**2,141.55**	**1,623.22**
Debenture Redemption Reserve		
Opening Balance	638.88	399.38
Add: transferred from surplus balance in the statement of profit and loss	355.66	515.38
Less: transferred to General Reserve	(518.33)	(275.88)
Closing Balance	476.21	638.88
Note: The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. Though the DRR is required to be created over the life of debentures, the Company has upfront created DRR out of retained earnings.		
Foreign Currency Monetary Item Translation Difference Account		
Opening Balance	(260.65)	(199.52)
Add : foreign currency Gain / (Loss) during the year	62.70	(160.84)
Less : amortised in statement of profit and loss	123.40	99.71
Closing Balance	**(74.55)**	**(260.65)**
Note: Exchange differences arising on other outstanding long term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. March 31, 2016 are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" (FCMITDA) and amortized over the remaining life of the concerned monetary item.		
Retained Earnings		
Opening Balance	8,323.17	6,423.26
Add : Profit for the year	3,100.61	2,964.50
Less : Dividend paid on Equity Shares	-	(455.51)
Less : Dividend distribution tax paid on Equity Shares	-	(92.74)
Less :Transfer to Debenture Redemption reserve	(355.66)	(515.38)
Add / (Less) : Re-measurement gains / (losses) on defined benefit plans (net of tax)	2.33	(0.96)
Closing Balance	**11,070.45**	**8,323.17**
Other Comprehensive Income- FVTOCI Reserve		
Opening Balance	125.42	107.86
Add : Change in fair value of FVTOCI Equity instruments (net of tax)	10.00	17.56
Closing Balance	**135.42**	**125.42**
Total Other Equity	**16,450.66**	**13,151.62**

Notes to the Financial Statements for the year ended March 31, 2017

13 OTHER EQUITY (contd.)

Distribution made and proposed (₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Cash Dividend on Equity Share declared and paid			
a) Interim Dividend for the year ended March 31, 2016 (₹1.10 per share)	-	227.80	-
Dividend Distribution Tax	-	46.38	-
b) Final Dividend for the year ended March 31, 2015 (₹1.10 per share)	-	227.71	-
Dividend Distribution Tax	-	46.36	-
c) Final Dividend for the year ended March 31, 2014 (₹1.00 per share)	-	-	213.67
Dividend Distribution Tax	-	-	36.31
	-	**548.25**	**249.98**
Proposed Dividend on Equity Shares			
a) Final Dividend for the year ended March 31, 2017 (₹1.30 per share)	269.22	-	-
Dividend Distribution Tax	54.81	-	-
b) Final Dividend for the year ended March 31, 2015 (₹1.10 per share)	-	-	227.71
Dividend Distribution Tax	-	-	46.36
	324.03	**-**	**274.07**
Cash Dividend on Preference Share declared and paid			
Dividend @ 0.01 % on Non-Cumulative Redeemable Preference Shares	*-	*-	*-
Dividend Distribution Tax	*-	*-	*-
Proposed Dividend on Preference Shares			
Dividend @ 0.01 % on Non-Cumulative Redeemable Preference Shares	*-	*-	*-
Dividend Distribution Tax	*-	*-	*-

*- Figure nullified in conversion of ₹in crore

Proposed dividend on equity shares are subject to approval at Annual General Meeting and are not recognised as a liability (including dividend distribution tax thereon).

14 LONG TERM BORROWINGS

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Debentures						
2,520 (previous year NIL and April 01, 2015 -NIL) 9.35% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured. (Redeemable on July 04, 2026)	251.19	-	-	-	-	-
10,000 (previous year NIL and April 01, 2015 -NIL) 8.22% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured. (Redeemable ₹333.30 crore on March 07, 2025, ₹333.30 crore on March 07, 2026 and ₹333.40 crore on March 08, 2027)	1,000.00	-	-	-	-	-

Notes to the Financial Statements for the year ended March 31, 2017

14 LONG TERM BORROWINGS (contd.)

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
13,000 (previous year NIL and April 01, 2015 -NIL) 8.24% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured. (Redeemable ₹433.30 crore on November 29, 2024, ₹433.30 crore on November 29, 2025 and ₹433.40 crore on November 27, 2026)	1,300.00	-	-	-	-	-
2,000 (previous year NIL and April 01, 2015 -NIL) 9.35% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured. (Redeemable ₹100 crore on May 26, 2023 and ₹100 crore on May 27, 2026)	197.79	-	-	-	-	-
4,940 (previous year 4,940 and April 01, 2015 - 9,890) 10.50% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured (Redeemable at three annual equal instalments commencing from February 25, 2021. During the year ended March 31, 2016 ₹495 crore has been redeemed before maturity.	494.00	494.00	980.28	-	-	-
9,000 (previous year 9,000 and April 01, 2015 NIL) 9.05% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured (Redeemable ₹750 crore on April 18, 2019 and ₹150 crore on May 22, 2019)	900.00	900.00		-	-	-
5,000 (previous year NIL and April 01, 2015 -NIL) 9.05% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured. (Redeemable on April 10, 2019)	496.66	-	-	-	-	-
5,000 (previous year NIL and April 01, 2015 -NIL) 9.05% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured. (Redeemable ₹250 crore on June 18, 2018 and ₹250 crore on September 18, 2018)	498.87	-	-	-	-	-
2,111 (previous year 5,000 and April 01, 2015 NIL) 9.15% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured (Redeemable on April 28, 2017). During the year ended March 31, 2017, ₹288.90 crore has been redeemed before maturity.	-	500.00	-	211.10	-	-
1,106 (previous year 4,900 and April 01, 2015 - 5,100) 10.15% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured (Redeemable at 3 semi annual equal instalments commencing from September 16, 2016. During the year ended March 31, 2017 ₹59.40 crore has been redeemed before maturity (previous year ₹20.00 crore)	-	169.49	509.19	110.60	320.00	-
NIL (previous year 5,000 and April 01, 2015- 5,000) 9.60% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured (Redeemed at par on June 20, 2016).	-	-	500.00	-	500.00	-

Notes to the Financial Statements for the year ended March 31, 2017

14 LONG TERM BORROWINGS (contd.)

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
NIL (previous year 4,000 and April 01, 2015 -10,000) 9.80% Secured Non Convertible Redeemable Debenture of ₹10,00,000 each Secured (Redeemed at par ₹400 crore on June 18, 2016).	-	-	400.00	-	400.00	600.00
NIL (previous year 2,000 and April 01, 2015 -5,000) 10.05% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured (Redeemed at par ₹200 crore on June 15, 2016.	-	-	199.64	-	200.00	300.00
950 (previous year 1,700 and April 01, 2015 -7,750) 10.50% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured (Redeemable in 40 quarterly equal instalments commencing from December 27, 2012, 32 instalments paid till March 31, 2017).	48.68	93.64	570.12	45.00	55.00	64.00
Preference Shares						
Liability Component of Compound Financial Instrument - 0.01% Redeemable Preference Shares (unsecured) (refer note 12(c))	84.12	77.17	70.80	-	-	-
Term loans						
Foreign currency loans:						
From banks (secured)	869.57	1,742.11	4,380.16	252.16	219.48	788.37
From banks (unsecured)	2,010.90	1,964.06	14.75	229.75	335.45	3.69
From financial institutions (secured)	-	-	179.69	-	-	31.25
3.50% Foreign Currency Bond priced at 195 basis points over the 5 years US Treasury Note (unsecured)	4,215.25	4,306.58	-	-	-	-
3.95% Foreign Currency Bond priced at 189 basis points over the 5 years US Treasury Note (unsecured)	3,207.56	-	-	-	-	-
Rupee loans:						
From banks (secured)	-	-	700.00	-	-	52.00
Suppliers bills accepted under foreign currency letters of credit						
From banks (secured)	554.51	-	-	0.60	82.65	121.59
From banks (unsecured)	31.47	-	-	-	14.55	-
	16,160.57	**10,247.05**	**8,504.63**	**849.21**	**2,127.13**	**1,960.90**
The above amount includes						
Secured borrowings	6,611.27	3,899.24	8,419.08	619.46	1,777.13	1,957.21
Unsecured borrowings	9,549.30	6,347.81	85.55	229.75	350.00	3.69
Amount disclosed under the head Current Financial Liabilities (refer note 15)	-	-	-	(849.21)	(2,127.13)	(1,960.90)
	16,160.57	**10,247.05**	**8,504.63**	-	-	-

Notes:

Notes to the Financial Statements for the year ended March 31, 2017

14 LONG TERM BORROWINGS (contd.)

a) Debentures include Secured Non-Convertible Redeemable Debentures amounting to ₹2,410.15 crore (previous year ₹2,583.49 crore and April 01, 2015 ₹1989.10 crore) are secured by first Pari-passu charge on all the immovable and movable assets of Multi-purpose Terminal, Terminal-II and Container Terminal –II project assets and specific charge over land (valued at market value)

b) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹93.68 crore (previous year ₹148.64 crore and April 01, 2015 ₹634.13 crore) are secured by exclusive mortgage and charge on entire Single Point Mooring (SPM) facilities serving Indian Oil Corporation Limited - Mundra and the first charge over receivables from Indian Oil Corporation Limited.

c) (i) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to NIL (previous year ₹400.00 crore and April 01, 2015 ₹1,000.00) are secured by first specific charge over 138 hectares land situated at Navinal Island, Mundra Taluka Kutch District, Gujarat (valued at market value).

(ii) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to NIL (previous year ₹500.00 crore and April 01, 2015 ₹500.00) are secured by first specific charge over 79 hectares land situated at Mundra Taluka, Kutch District, Gujarat (valued at market value).

d) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹1,750.06 crore (previous year NIL and April 01, 2015 NIL) are secured by first pari-passu charge on all the movable and immovable assets pertaining to coal terminal project assets at Wandh.

e) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹1,300 crore (previous year NIL and April 01, 2015 NIL) are secured by first pari-passu charge on specified assets of certain subsidiary companies arrangements as per Debenture Trust Deed.

f) Foreign currency loan aggregating to ₹168.38 crore (previous year ₹233.37 crore and April 01, 2015 ₹255.84 crore) carries interest @ 6 months Euribor plus basis point in the range of 95 to 140. Further, out of the above loan is repayable in 11 Semi-annual instalment of ₹15.31 crore from the balance sheet date. The loan is secured by exclusive charge on the Dredgers procured under the facility.

g) Foreign Currency loan aggregating to NIL crore (previous year ₹16.40 crore and April 01, 2015 ₹30.45 crore) carries interest @ 6 months libor plus 225 basis point. The loan is repaid during the year. The loan was secured by exclusive charge on the dredgers and is further secured by way of second pari passu charge on the entire movable and immovable assets pertaining to Multi purpose Terminal, Terminal-II and Container Terminal –II project assets and Single Point Mooring.

h) Foreign currency loans aggregating to ₹75.13 crore (previous year ₹98.14 crore and April 01, 2015 ₹102.07 crore) carries interest @ 6 months Euribor plus 75 basis point. The loan is repayable in 10 semi annually equal instalments of approx. ₹7.51 crore from the balance sheet date. The loan is secured by exclusive charge on the Cranes purchased under the facility.

i) Foreign Currency Loans from Banks aggregating to NIL (previous year NIL and April 01, 2015 ₹1,873.86 crore) was secured by the first pari passu charge on all the immovable and movable assets pertaining to Multi purpose terminal, Terminal II, Container Terminal II, project assets of the company and carry interest @ 3 to 6 Months libor plus basis point in range of 260 to 380. The Loan is repaid during the year 2015-16.

j) Foreign currency Loans from bank aggregating to NIL (previous year NIL and April 01, 2015 ₹274.95 crore) was secured by first pari passu charge on all the movable and immovable assets pertaining to Coal terminal project assets at Wandh and carries interest @ 3 Months libor plus 330 basis point. The Loan is repaid during the year 2015-16.

k) Foreign currency Loans from bank aggregating to NIL (previous year NIL and April 01, 2015 ₹1,850.42 crore) carries interest @ 3 months libor plus basis point in range of 310 to 370, These loans were secured by first pari passu charge on all the movable and immovable assets pertaining to Coal Terminal project assets at Wandh and specific charge over land admeasuring to 175 hectares situated at Mundra Taluka, Kutch district, Gujarat. The Loan is repaid during the year 2015-16.

l) Foreign Currency Loans from banks aggregating to NIL (previous year ₹93.25 crore and April 01, 2015 ₹94.49 crore) carries interest @ 4.6% p.a. The Loan is repaid during the year. These loans were secured by exclusive charge on the Tug assets.

m) Foreign currency loan aggregating to NIL (previous year ₹130.62 crore and April 01, 2015 ₹344.00 crore) carries interest @ 3 to 6 months Libor plus 310 basis point and 6 months Euribor plus a margin of 290 basis point. The loans were secured by first Pari-passu charge on all the immovable and movable assets of Multi purpose terminal, Terminal-II and Container

Notes to the Financial Statements for the year ended March 31, 2017

14 LONG TERM BORROWINGS (contd.)

Terminal –II project assets. The Loan is repaid during the year 2015-16 and 2016-17.

n) Foreign currency Loans from bank aggregating to NIL (previous year ₹388.64 crore and April 01, 2015 ₹554.46 crore) is secured by first pari passu charge on all the movable and immovable assets pertaining to Coal terminal project assets at Wandh and carries interest @ 3 months Libor plus basis point in the range of 225 to 305. The Loan is repaid during the year 2015-16 and 2016-17.

o) Foreign Currency Loan aggregating to ₹878.22 crore (previous year ₹1,001.17 crore and April 01, 2015 NIL) carries interest at 6 month libor plus 180 basis point. The Loan is repayable in 3 annual instalment of ₹206.64 crore and an instalment of ₹258.29 crore at balance sheet date. This loan is secured by first pari-passu charge on all the immovable and movable assets of Multi-purpose Terminal, Terminal-II and Container Terminal-II project assets.

p) Rupee Term Loan from bank aggregating to NIL (previous year NIL and April 01, 2015 ₹102.00 crore) was secured by first pari passu charge on all the movable and immovable assets pertaining to Agripark project assets and carries interest @ 10.50% p.a. The loan was repaid during the year 2015-16.

q) Rupee term loan amounting to NIL (previous year NIL and April 01, 2015 ₹448.93 crore) carrying interest rate at 11.45% p.a were secured by exclusive charge on land parcel of 90 hectares situated at Mundra Taluka Kutch District, Gujarat. The loan is repaid during the year 2015-16.

r) Rupee term loan amounting to NIL (previous year NIL and April 01, 2015 ₹200.00 crore) carrying interest rate at 9.70% p.a was secured by first pari passu charge on Multi purpose Terminal, Terminal II and Container Terminal II .The Loan is repaid during the year 2015-16.

s) Suppliers bills accepted under foreign currency letters of credit aggregating to ₹555.11 (previous year ₹82.65 and April 01, 2015 ₹121.59 crore) carries interest @ 3 to 12 months libor plus basis point in range of 16 to 215 and 6 to 12 months Euribor plus basis point in the rage of 30 to 35. Loan of ₹121.59 crore and ₹82.65 crore repaid on maturity the year 2015-16 and 2016-17 respectively and ₹555.11 payable on maturity from 2017-18 to 2019-20. The loan was secured against exclusive charge on assets purchased under the facility.

t) Unsecured Loan

(i) 5 years Foreign Currency Bond of USD 650 million equivalent to ₹4,215.25 crore (previous year ₹4,306.58 crore and April 01, 2015 NIL) carries interest @ 3.50 % p.a. with bullet repayment in the year 2020.

(ii) 5 years Foreign Currency Bond of USD 500 million equivalent to ₹3,207.56 crore (previous year NIL and April 01, 2015 NIL) carries interest rate at 3.95% p.a. with bullet repayment in the year 2022.

(iii) Foreign Currency loan NIL (previous year ₹993.83.crore and April 01, 2015 NIL) carries interest rate at 1.95% p.a. to 2.30 % for six months is paid during the year 2016-17.

(iv) Foreign Currency loan of ₹226.98 crores (previous year ₹231.89 crore and April 01, 2015 NIL) carries basis overnight libor plus 120 basis point repayable at maturity during the year 2017-18.

(v) Foreign Currency Loan aggregating to ₹1034.68 crore (previous year ₹1,057.10 crore and April 01, 2015 NIL) carries interest at 2.85% fixed for 18 months and than after 6 months Libor plus 2.2%. is repayment in the year 2021.

(vi) Foreign Currency Loan aggregating of ₹12.31 crore (previous year ₹16.69 crore and April 01, 2015 ₹18.44 crore) carry interest at 2.12 % p.a. The outstanding loan amount is repayable in 6 semi- annual equal instalment of ₹2.05 crore from the balance sheet date.

(vii) Suppliers bills accepted under foreign currency letters of credit aggregating to ₹31.47 crore (previous year ₹14.55 crore and April 01, 2015 NIL) carries interest at 6 months Libor plus basis point in range of 10 to 51 and 12 months Euribor plus basis point in the range of 35 to 75 basis points. Loan of ₹14.55 crore repaid on maturity in the year 2016-17 and ₹31.47 payable on maturity from 2017-18 to 2019-20.

(viii) Foreign currency loan aggregating to ₹483.45 crore (previous year NIL and April 01, 2015 NIL) carried interest 6 months Libor plus 204 basis point .The loan is repayable in 3 annual instalments of ₹128.92 crore, ₹161.15 crore and ₹ 193.38 crore from the balance sheet date.

(ix) Foreign currency loan aggregating to ₹483.23 crore (previous year NIL and April 01, 2015 NIL) carried interest 3 months Libor plus 200 basis point .The loan has bullet repayment in the year 2021.

Notes to the Financial Statements for the year ended March 31, 2017

15 OTHER FINANCIAL LIABILITIES

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Current maturities of long term borrowings (refer note 14)	-	-	-	849.21	2,127.13	1,960.90
Outstanding Derivatives	55.96	63.72	210.30	33.97	11.01	109.95
Capital creditors, retention money and other payable ((Includes outstanding due to MSME creditors ₹0.20 crore previous year ₹0.10 crore and April 01, 2015 ₹0.07 crore)) (refer note 34)	1.27	0.37	-	251.60	150.65	64.23
Obligations under lease land (refer note (b) below)	6.99	7.00	7.01	0.01	0.01	0.01
Unpaid Dividend #	-	-	-	0.82	1.50	1.04
Interest accrued but not due on borrowings	-	-	-	253.88	90.31	101.27
Deposit from Customers	1.29	1.20	1.20	6.58	40.07	6.48
Financial Guarantees	12.12	21.31	26.02	-	-	-
	77.63	**93.60**	**244.53**	**1,396.07**	**2,420.68**	**2,243.88**

Not due for credit to "Investors Education & Protection Fund"

Notes:

a) For Due to related parties refer note 31

b) Assets taken under Finance Leases – land for purposes of developing, constructing, operating and maintaining the Mundra Port and related infrastructure for providing services to the users in accordance with the terms of the concession agreement with Gujarat Maritime Board (GMB). The lease rent is subject to revision every three years on April 01st by 20% of the previous amount. The lease rent terms are for the period of 30 years and are renewable accordingly with extention or renewal of the concession agreement. The lease agreement entered is non-cancellable till the termination or expiry of the concession agreement. There is no contingent rent, no sub-leases and no restrictions imposed by the lease arrangements. Expenses of ₹0.59 crore (previous year ₹0.59 crore) incurred under such lease have been expensed in the statement of profit and loss.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

(₹ in crore)

Particulars	Within one year	After one year but not later than five years	More than five years	Total minimum lease payments	Less: Amounts representing finance charges	Present value of minimum lease payments
March 31, 2017						
Minimum Lease Payments	0.59	2.99	9.20	12.78	(5.78)	7.00
Finance charge allocated to future periods	0.58	2.24	2.96	5.78		
Present Value of MLP	0.01	0.75	6.24	7.00	-	7.00
March 31, 2016						
Minimum Lease Payments	0.59	2.72	10.05	13.36	(6.35)	7.01
Finance charge allocated to future periods	0.58	2.27	3.50	6.35	-	-
Present Value of MLP	0.01	0.45	6.55	7.01	-	7.01
April 01, 2015						
Minimum Lease Payments	0.59	2.61	10.75	13.95	(6.93)	7.02
Finance charge allocated to future periods	0.58	2.30	4.05	6.93		
Present Value of MLP	0.01	0.31	6.70	7.02		7.02

Notes to the Financial Statements for the year ended March 31, 2017

16 OTHER LIABILITIES

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Advance from customers	10.51	13.93	17.32	293.27	101.23	144.50
Deposits from customers	-	-	35.65	15.54	91.03	33.06
Statutory liability	-	-	-	8.62	13.74	5.55
Unearned Income under land lease/ Infrastructure usage agreements	666.74	717.66	768.57	50.92	50.92	50.92
Deferred Income on fair valuation of Deposit taken	1.48	1.58	1.68	-	-	-
Deferred Government Grant (refer note (ii) below)	1.00	1.09	1.29	-	-	-
Unearned revenue -others	-	-	-	38.72	34.78	24.69
	679.73	**734.26**	**824.51**	**407.07**	**291.70**	**258.72**

i) For Due to related parties refer note 31

ii) Movement in Government Grant

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Opening Balance	1.09	1.29
Add :Addition during the year	-	-
Less: Amortisation during the year	(0.09)	(0.20)
Closing Balance	**1.00**	**1.09**

17 SHORT TERM BORROWINGS

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Short term borrowings from banks under suppliers credit (secured)	2.47	15.91	154.88
Short term borrowings from banks under suppliers credit (unsecured)	-	2.25	-
Commercial paper (unsecured)	2,531.42	3,115.65	1,133.13
	2,533.89	3,133.81	1,288.01
Borrowing Bill Discounted (unsecured) (refer note 5)	663.48	379.79	449.67
	3,197.37	**3,513.60**	**1,737.68**

a) Suppliers bills accepted under foreign currency letters of credit aggregating to NIL (previous year NIL and April 01, 2015 ₹119.85 crore) carries interest @ 6 months Libor plus basis point in range of 35 to 40 which was paid on maturity in year 2015-16. The loan was secured against exclusive charge on assets and materials purchased under the facility.

b) Supplier Bills aggregating to NIL (previous year NIL and April 01, 2015 ₹35.03 crore) carries interest @ 6 Months Libor plus basis point in range of 35 to 65 which was paid on maturity in 2015-16 The loan was secured against subservient charge on movable assets and current assets except those secured by exclusive charge in favour of other lenders .

c) Suppliers bills accepted under foreign currency letters of credit aggregating to ₹2.47 crore (previous year ₹15.91 crore and April 01, 2015 NIL) carries interest at 1 -12 months Libor plus basis point in the range of 15 to 75 and 6 to 12 Months Euribor plus basis point in range of 38 to 40. The loan is repaid on maturity in the year 2016-17. The loan was secured against material purchased under the facilities.

d) Suppliers bills accepted under foreign currency letters of credit aggregating to NIL (previous year ₹2.25 crore and April 01, 2015 NIL) carries interest at 6 months Libor plus 45 basis point and 12 month Euribor plus 38 basis point. The loan is unsecured and paid during the year.

e) Commercial Paper (CP) aggregating ₹2,531. 42 crore (previous year ₹3,115.65 crore and April 01, 2015 ₹1,133.13 crore) carries interest rate in range of 6.75 % to 10 % pa. The CP has maturity period of 1 to 9 months period.

f) Factored receivables of ₹663.48 crore (previous year ₹379.79 crore and April 01, 2015 ₹449.67 crore) 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 period.

Notes to the Financial Statements for the year ended March 31, 2017

18 TRADE AND OTHER PAYABLES

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Payables to micro, small and medium enterprises (refer note 34)	0.32	0.26	0.23
Other trade payables	257.94	185.02	187.58
	258.26	**185.28**	**187.81**
Dues to related parties included in above			
Trade payables (refer note 31)	96.92	40.86	12.91

19 PROVISIONS

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Provision for Employee Benefits			
Provision for Gratuity (refer note 29)	-	7.46	3.74
Provision for Compensated Absences	12.31	11.84	9.65
	12.31	**19.30**	**13.39**
Other Provision			
Provision for operational claims (refer note (a) below)	35.37	31.92	24.55
	35.37	**31.92**	**24.55**
	47.68	**51.22**	**37.94**

Note (a)

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Opening Balance	31.92	24.55
Add : Additions during the year	6.34	12.35
Less :Utilised / (Settled) during the year	(2.89)	(4.98)
Closing Balance	**35.37**	**31.92**

Note: a) Operational Claims are the expected claims against outstanding receivables made/to be made by the customers towards shortages of stock, handling losses, damages to the cargo, storage and other disputes. The probability and the timing of the outflow/adjustment with regard to above depends on the ultimate settlement / conclusion with the respective customer.

20 REVENUE FROM OPERATIONS

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Income from Port Operations (Including Port Infrastructure Services and export incentives) (refer note (b) below)	4,502.28	3,701.29
Land Lease, Upfront Premium and Deferred Infrastructure Income (refer note (a), (c) and (d) below)	318.36	828.05
Other Operating Income including Construction, Infrastructure Development Support Services and related income	58.22	89.83
	4,878.86	**4,619.17**

Notes:

a) Includes annual income of ₹43.77 crore (previous year ₹17.36 crore) in respect of land finance lease transaction.

b) i) Operating Income for the year ended March 31, 2017 includes income of ₹192.70 crore towards project related advisory services rendered for the development of Container Terminal Project at Mundra. The income has been recognised based on completion of performance obligation as per the arrangement / agreement entered between the Company, jointly controlled entity and the Service Provider. The Container Terminal facilities are being developed in jointly controlled entity.

Notes to the Financial Statements for the year ended March 31, 2017

20 REVENUE FROM OPERATIONS (contd.)

ii) The Company has completed the development of infrastructure assets of Container Terminal 4 which has been agreed to be transferred to jointly controlled entity, Adani CMA Mundra Terminal Private Limited ('ACMTPL'). Currently, the Company is temporarily operating the terminal facility, pending regulatory clearances for transfer of the terminal facilities to ACMTPL w.e.f. July 2016. Income from cargo handled at the terminal is included in Income from Port Operations.

c) Assets given under Finance Leases – The company has given land on finance lease to various parties. All leases include a clause to enable upward revision of the rental charge every three to five years by 10% to 20%. These leases have terms of between 16 and 50 years. The lease agreements entered are non-cancellable. There is no contingent rent, no sub-leases and no restrictions imposed by the lease arrangements. The company has also received one-time income of upfront premium ranging from ₹625 to ₹4248 per Sq. mtr for use of common infrastructure by the parties. Such one-time income of upfront premium is non-refundable. Income of ₹225.38 crore (previous year ₹748.51 crore) including upfront premium of ₹193.46 crore (previous year ₹724.54 crore) accrued under such lease have been booked as income in the statement of profit and loss.

Future minimum lease receivables under finance leases together with the present value of the net minimum lease payments receivable ("MLPR") are as follows:

(₹ in crore)

Particulars	March 31, 2017		March 31, 2016		April 01, 2015	
	Gross Investment in the lease	Present Value of MLPR	Gross Investment in the lease	Present Value of MLPR	Gross Investment in the lease	Present Value of MLPR
Within one year	35.26	32.57	31.46	29.06	17.45	16.12
After one year but not later than five years	165.79	125.53	138.62	104.96	76.72	58.19
More than five years	1,673.71	426.29	1,447.37	360.45	496.08	144.59
Total minimum lease receivables	**1,874.76**	**584.39**	**1,617.45**	**494.47**	**590.25**	**218.90**
Less: Amounts representing finance charges	(1,290.37)	-	(1,122.98)	-	(371.35)	-
Present value of minimum lease receivables	584.39	584.39	494.47	494.47	218.90	218.90

d) Land given on operating lease:

The Company has given certain land portions on operating lease. These lease arrangements range for a period between 5 and 60 years and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms.

The total future minimum lease rentals receivable at the Balance Sheet date is as under:

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
i) Not later than one year	23.91	21.39	21.65
ii) Later than one year and not later than five years	100.85	90.87	88.53
iii) Later than five years	515.48	410.98	434.74

Notes to the Financial Statements for the year ended March 31, 2017

21 OTHER INCOME

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Interest Income on		
(i) Bank Deposits, Inter Corporate Deposits etc.	1,101.86	940.67
(ii) Customers dues	42.81	52.89
Change in Fair valuation of Financial Instruments	-	100.80
Dividend on		
(i) Current investments	-	0.76
(ii) Long-term investments	2.20	1.00
Unclaimed liabilities / excess accrual written back	2.32	5.19
Scrap sale	6.12	5.81
Profit on Sale of Current Investments (Mutual Funds)	31.15	26.03
Profit on Sale of Non-Current Investments	6.62	-
Financial Guarantee	9.18	12.79
Government Grant	0.09	0.20
Miscellaneous Contractual Income (Including equipment hire charges)	56.06	12.35
Miscellaneous Income	26.26	14.28
	1,284.67	**1,172.77**

22 OPERATING EXPENSES

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Cargo handling / other charges to Sub-Contractors (net of reimbursement)	208.94	197.36
Customer Claims	6.34	12.35
Railway Service Charges (net)	87.10	63.35
Tug and Pilotage Charges	12.22	10.86
Maintenance Dredging	10.94	11.53
Other expenses including Customs Establishment Charges	1.86	17.17
Repairs to Plant & Machinery	36.82	61.29
Store & Spares consumed (net of reimbursement)	81.27	95.63
Repairs to Buildings	7.68	10.85
Power & Fuel (net of reimbursement)	109.97	120.38
Waterfront Charges	160.75	168.09
Construction Contract Expenses*	56.11	41.38
Cost of Land Leased / Sub-Leased	1.84	6.09
	781.84	**816.33**

* includes material of ₹49.12 crore (previous year ₹32.10 crore) and services of ₹6.99 crore (previous year ₹9.28 crore)

23 EMPLOYEE BENEFIT EXPENSE

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Salaries, Wages and Bonus (net of reimbursement)	185.20	161.17
Contribution to Provident and Other Funds	8.04	6.63
Gratuity Expenses (refer note 29)	3.71	2.79
Staff Welfare Expenses	14.04	8.33
	210.99	**178.92**

Notes to the Financial Statements for the year ended March 31, 2017

24 FINANCE COST

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
a) Interest and Bank Charges		
Interest on		
Debentures/Bonds	646.95	407.41
Fixed Loans, Buyer's Credit, Short Term Loan etc.	429.16	434.29
Others	3.96	17.14
Bank and other Finance Charges	23.33	70.91
	1,103.40	929.75
b) Loss / (Gain) on Derivatives / Swap Contracts (net)	95.00	(75.30)
	1,198.40	**854.45**

25 OTHER EXPENSES

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Rent Expenses (refer note (a) and (b) below)	16.34	13.40
Rates and Taxes	4.60	4.98
Insurance (net of reimbursement)	5.94	5.02
Advertisement and Publicity	8.70	5.10
Other Repairs and Maintenance (net of reimbursement)	15.99	17.61
Legal and Professional Expenses	45.45	37.06
Corporate Support Service Fee	31.88	14.40
IT Support Services	10.17	9.15
Payment to Auditors (refer note (c) below)	1.21	1.13
Security Service Charges	15.69	16.51
Communication Expenses	6.52	4.42
Electric Power Expenses	7.09	5.95
Travelling and Conveyance (Incl. aircraft service expenses of ₹42.46 crore (previous year ₹16.15 crore))	57.90	28.59
Directors Sitting Fee	0.13	0.19
Commission to Non-executive Directors	0.48	0.62
Charity & Donations (refer note (d) below)	52.76	50.63
Diminution in value of Capital Inventories	21.15	-
Loss on sale / discard of Property, Plant and Equipment (net)	2.23	2.88
Allowances for Doubtful Advance and Deposits	20.86	13.26
Miscellaneous Expenses	13.89	15.10
	338.98	**246.00**

a) Assets taken under Operating Leases – an office space and residential houses for staff accommodation are generally obtained on operating leases except that stated under note (b) below. The lease rent terms are generally for an eleven months period and are renewable by mutual agreement. There are no sub-leases and leases are cancellable in nature except that mentioned under note (b) below. There are no restrictions imposed by the lease arrangements. There is no contingent rent in the lease agreements and there is no escalation clause in the lease agreements except that mentioned under note (b) below. Expenses of ₹4.24 crore (previous year ₹4.09 crore) incurred under such leases have been expensed in the statement of profit & loss.

b) Assets taken under Operating Leases

i) an office premises have been taken on operating leases. The lease rent terms are for the period of 15 years and are renewable by mutual consent. The Company has given deposit of ₹100 crore as per the terms one of the lease transaction. The lease agreement entered is non-cancellable for the period of first 3 years of the lease agreement. As per the lease agreement lease rental is escalated by 10% at every 5 years. There is no contingent rent, no sub-leases

Notes to the Financial Statements for the year ended March 31, 2017

25 OTHER EXPENSES (contd.)

and no restrictions imposed by the lease arrangements. Expenses of ₹0.10 crore (previous year ₹0.10 crore) incurred under such lease have been expensed in the statement of profit and loss.

ii) Land for purpose of constructing corporate office has been taken on operating lease basis during the year. The lease term is for the period of 20 years and is renewable by the mutual consent. The lease agreement entered is non-cancellable for the period of first 5 years of the lease agreement. There is no contingent rent, no sub-leases and no restrictions imposed by lease arrangements. Rental charges of ₹3.54 crore incurred under such lease have been expensed in the statement of profit and loss.

iii) The Company has taken parcel of Land aggregating to 49,416 Sq. Mtrs on lease basis. The lease shall be for an initial period of 20 years with annual lease rent of ₹7 crore. A lease rent expenses of ₹3.50 crore (previous year NIL) has been expensed in the statement of profit and loss and the Company has also paid advance of ₹140 crore as per terms of agreement,

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

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
i) Not later than one year	7.00	0.10	0.10
ii) Later than one year and not later than five years	28.00	0.43	0.42
iii) Later than five years	101.50	0.88	0.99

c) Payment to Auditors

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
As auditor:		
Audit fee	0.52	0.50
Limited review	0.23	0.23
In other capacity:		
Certification fees	0.06	0.05
Other services*	0.35	0.32
Reimbursement of expenses	0.05	0.03
	1.21	**1.13**

* Note- Professional fee of ₹0.37 crore paid for the services rendered in respect of the Bond issued by the Company has been accounted as transaction cost in accordance with Ind AS 109 for the year ended March 31, 2017 and fee of ₹0.26 crore paid during the previous year ended March 31, 2016 has been adjusted against securities premium in accordance with section 52 of the Companies Act 2013.

d) Details of Expenditure on Corporate Social Responsibilities

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
(i) Gross Amount required to Spent during the year	47.78	40.40

(ii) Amount spent during the year ended (₹ in crore)

Particulars	In cash	Yet to be paid in cash	Total
March 31, 2017			
i) Construction/acquisition of any asset	8.40	-	8.40
ii) On purposes other than (i) above	39.38	-	39.38
Total	**47.78**	**-**	**47.78**
March 31, 2016			
i) Construction/acquisition of any asset	10.15	-	10.15
ii) On purposes other than (i) above	30.66	-	30.66
Total	**40.81**	**-**	**40.81**

Notes to the Financial Statements for the year ended March 31, 2017

26 INCOME TAX

The major component of income tax expenses for the year ended March 31, 2017 and March 31, 2016 are as under

a) Profit and Loss Section (₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Current Income tax		
Current tax charges	704.24	624.34
Tax (credit) under Minimum Alternate tax ('MAT')	(571.28)	(607.82)
Deferred Tax		
Relating to origination and reversal of temporary differences	59.37	125.25
Tax Expense reported in the Statement of Profit and Loss	**192.33**	**141.77**
Other Comprehensive Income ('OCI') Section		
Deferred tax related to items recognised in OCI during the year		
Net Loss /(Gain) on remeasurements of defined benefit plan	(1.23)	0.51
Unrealised Loss/ (Gain) on FVTOCI Equity Securities	(1.91)	(3.87)
	(3.14)	**(3.36)**

b) Balance Sheet Section (₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Provision for Income Tax (net of advance tax)	158.50	26.01	38.76
Tax Recoverable (net of provision) (refer note 8)	11.97	8.16	29.58
Net Tax Provision Outstanding	**146.53**	**17.85**	**9.18**

c) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2016

Particulars	March 31, 2017		March 31, 2016	
	%	₹ In Crore	%	₹ In Crore
Profit Before tax		3,292.94		3,106.27
Tax using the Company's domestic rate	34.61	1,139.62	34.61	1,075.02
Tax Effect of:				
Deduction u/s 80IAB	(29.13)	(959.10)	(30.74)	(954.97)
Non-deductible expenses	0.39	12.69	0.68	21.21
Others Adjustments	(0.03)	(0.88)	0.02	0.51
Effective tax rate	**5.84**	**192.33**	**4.56**	**141.77**
Tax expenses as per Books		**192.33**		**141.77**

d) Deferred Tax Liability (net) (₹ in crore)

Particulars	Balance Sheet as at			Statement of Profit and Loss	
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016
(Liability) on Accelerated depreciation for tax purpose	(852.83)	(826.98)	(925.58)	(25.85)	98.60
Asset on unrealised exchange variation	18.37	44.47	208.63	(26.10)	(164.16)
Assets on Provision for Gratuity and Leave encashment	4.02	-	-	4.02	-
Assets on Bond issue expenses amortization	13.71	-	-	13.71	-
(Liability) on Preference Share debt component	(68.17)	(70.57)	(72.78)	2.40	2.21
(Liability) / Assets on Inter Corporate Deposit Fair valuation	(8.01)	20.99	80.68	(29.00)	(59.69)
(Liability) on Corporate /Bank Guarantee Amortization	(7.01)	(5.40)	(2.56)	(1.61)	(2.84)
(Liability) on equity investment FVTOCI	(24.81)	(22.90)	(19.03)	(1.91)	(3.87)
Assets on other adjustments	4.23	2.40	1.26	1.83	1.14
	(920.50)	(857.99)	(729.38)	(62.51)	(128.61)

Notes to the Financial Statements for the year ended March 31, 2017

26 INCOME TAX (contd.)

e) Deferred Tax Assets reflected in the Balance Sheet as follows (₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Tax Credit Entitlement under MAT	2,685.02	2,113.74	1,505.97
Less :Deferred tax liabilities (net)	(920.50)	(857.99)	(729.38)
	1,764.52	**1,255.75**	**776.59**

f) Reconciliation of Deferred tax liabilities (net) (₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Tax income / (expenses) during the period recognised in Statement of Profit and Loss	59.37	125.25
Tax income / (expenses) during the period recongnised in OCI	3.14	3.36
	62.51	**128.61**

g) The Company has been availing tax holiday benefit u/s 80IAB of the Income Tax Act, 1961 on the taxable income. However, in view of the amendment in Income Tax Act, 1961 w.e.f. April 1, 2011 by Finance Act 2011, the Company is liable to pay Minimum Alternate Tax (MAT) on income from the financial year 2011-12. Based on the amendment, the Company has made provision of ₹704.24 crore (previous year ₹624.34 crore) for current taxation based on its book profit for the financial year 2016-17 and has recognised MAT credit of ₹571.28 crore (previous year ₹607.82 crore) (read with note 38(l)) as the management believes, in view of strategic volumes of cargo available with the Company and higher depreciation charge for accounting purposes than the depreciation for income tax purposes in the future period, it is possible that the MAT credit will be utilized post tax holiday period w.e.f. financial year 2017-18.

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

Financial Year	Amount (₹in crore)	Expiry Date
2011-12	250.89	2026-27
2012-13	366.96	2027-28
2013-14	445.85	2028-29
2014-15	442.22	2029-30
2015-16	607.82	2030-31
2016-17	571.28	2031-32
Total	**2,685.02**	

i) During the year ended March 31, 2016, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

27 EARNINGS PER SHARE (EPS)

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Profit after tax	3,100.61	2,964.50
Less: Dividends on Non-Cumulative Redeemable Preference Shares & tax thereon	*-	*-
	3,100.61	**2,964.50**
* Figures being nullified on conversion to ₹ in crore.		
	No.	**No.**
Weighted average number of equity shares in calculating basic and diluted EPS	2,07,09,51,761	2,07,09,51,761
Basic and Diluted Earnings per Share (in Rupees)	**14.97**	**14.31**

Notes to the Financial Statements for the year ended March 31, 2017

28 DISCLOSURE PURSUANT OF IND AS 11 CONSTRUCTION CONTRACTS ARE AS UNDER

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
a) Contract revenue recognized during the year	18.24	23.35	10.17
b) Disclosure for Contract in Progress			
(i) Aggregate amount of contract costs incurred up to date	6.37	3.51	5.82
(ii) Recognised Profit (Less recognised losses)	11.87	19.84	4.35
(iii) Customer advances outstanding	-	-	-
(iv) Retention money due from customers	-	0.30	2.87
c) Amount due from customers	8.94	15.75	-
d) Amount due to customers	0.59	-	-

29 DISCLOSURES AS REQUIRED BY IND AS - 19 EMPLOYEE BENEFITS

a) The company has recognised, in the Statement of Profit and Loss for the current year, an amount of ₹7.70 crore (previous year ₹6.41 crore) as expenses under the following defined contribution plan.

(₹ in crore)

Contribution to	2016-17	2015-16
Provident Fund	7.51	6.19
Superannuation Fund	0.19	0.22
Total	**7.70**	**6.41**

b) The company has a defined gratuity plan (funded) and is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed at least five year of service is entitled to gratuity benefits on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Company of India (LIC) in form of a qualifying insurance policy with effect from September 01, 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 matching strategy. The management decides its contribution based on the results of this review. The management aims to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

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

c) Gratuity

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

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Present value of the defined benefit obligation at the beginning of the year	16.83	12.47
Current service cost	3.13	2.49
Interest cost	1.33	0.99
Re-measurement (or Actuarial) (gain) / loss arising from and including in OCI:		
- change in demographic assumptions	-	-
- change in financial assumptions	(3.86)	1.11
- experience variance	0.64	0.34
Benefits paid	(1.16)	(0.57)
Liability Transfer In	0.64	-
Liability Transfer Out	(0.86)	-
Present value of the defined benefit obligation at the end of the year	16.69	16.83

Notes to the Financial Statements for the year ended March 31, 2017

29 DISCLOSURES AS REQUIRED BY IND AS - 19 EMPLOYEE BENEFITS (contd.)

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

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Fair value of plan assets at the beginning of the year	9.36	8.73
Investment income	0.74	0.70
Contributions by employer	6.96	-
Benefits paid	(0.03)	(0.03)
Return on plan assets, excluding amount recognised in net interest expense	0.34	(0.03)
Fair value of plan assets at the end of the year	17.37	9.36

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

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Present value of the defined benefit obligation at the end of the year	16.69	16.83
Fair value of plan assets at the end of the year	17.37	9.36
Amount recognised assets / (liability)	0.68	(7.46)
Net asset / (liability) - Current	0.68	-
Net (liability)/asset - Current	-	(7.46)

(iv) Expense recognised in the Statement of Profit and Loss for the year

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Current service cost	3.13	2.49
Interest cost on benefit obligation	0.59	0.30
Total Expense included in Employee Benefits Expense (refer note 23)	3.71	2.79

(v) Recognised in the other comprehensive income for the year

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Actuarial (gain)/losses arising from		
- change in demographic assumptions	-	-
- change in financial assumptions	(3.86)	1.11
- experience variance	0.64	0.34
Return on plan assets, excluding amount recognised in net interest expense	0.34	0.03
Recognised in comprehensive income	(3.56)	1.47

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

Particulars	March 31, 2017	March 31, 2016
Discount rate	7.60%	7.90%
Expected rate of return on plan assets	7.60%	7.90%
Rate of escalation in salary (per annum)	7.00%	9.00%
Mortality	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)
Attrition rate	10% for 5 years & below and 1% thereafter	10% for 5 years & below and 1% thereafter

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

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

Notes to the Financial Statements for the year ended March 31, 2017

29 DISCLOSURES AS REQUIRED BY IND AS - 19 EMPLOYEE BENEFITS (contd.)

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

Particulars	March 31, 2017	March 31, 2016
Investments with insurer *	100%	100%

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

(viii) Sensitivity Analysis Method

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

Quantitative sensitivity analysis for significant assumption is as below

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

Particulars	March 31, 2017		March 31, 2016	
Assumptions	Discount rate		Discount rate	
Sensitivity level	1 % Increase	1 % Decrease	1 % Increase	1 % Decrease
	(₹ In Crore)	(₹ In Crore)	(₹ In Crore)	(₹ In Crore)
Impact on defined benefit obligations	(1.81)	2.16	(1.91)	2.28

Particulars	March 31, 2017		March 31, 2016	
Assumptions	Salary Growth rate		Salary Growth rate	
Sensitivity level	1 % Increase	1 % Decrease	1 % Increase	1 % Decrease
	(₹ In Crore)	(₹ In Crore)	(₹ In Crore)	(₹ In Crore)
Impact on defined benefit obligations	2.15	(1.84)	2.24	(1.91)

Particulars	March 31, 2017		March 31, 2016	
Assumptions	Attrition rate		Attrition rate	
Sensitivity level	50% Increase	50 % Decrease	50% Increase	50 % Decrease
	(₹ In Crore)	(₹ In Crore)	(₹ In Crore)	(₹ In Crore)
Impact on defined benefit obligations	(0.12)	0.12	(0.27)	0.29

Particulars	March 31, 2017		March 31, 2016	
Assumptions	Mortality rate		Mortality rate	
Sensitivity level	10% Increase	10 % Decrease	10% Increase	10 % Decrease
	(₹ In Crore)	(₹ In Crore)	(₹ In Crore)	(₹ In Crore)
Impact on defined benefit obligations	0.00	(0.00)	(0.01)	0.01

(ix) Maturity profile of Defined Benefit Obligation

Particulars	March 31, 2017	March 31, 2016
Weighted average duration (based on discounted cash flows)	12 years	13 years

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

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Within the next 12 months (next annual reporting period)	0.95	0.92
Between 2 and 5 years	5.30	2.56
Between 5 and 10 years	5.02	7.83
Beyond 10 years	39.43	45.31
Total Expected Payments	50.70	56.62

The Company expect to contribute ₹2.40 crore to the gratuity fund in the financial year 2017-18 (previous year ₹10.37 crore).

Notes to the Financial Statements for the year ended March 31, 2017

30 SEGMENT INFORMATION

The Company is primarily engaged in one business segment, namely developing, operating and maintaining the Ports services, Ports related Infrastructure development activities and development of infrastructure at contiguous Special Economic Zone at Mundra, 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.

31 RELATED PARTY DISCLOSURES

A. Related parties where control exists.

Wholly owned Subsidiary Companies	Adani Ennore Container Terminal Private Limited
	Adani Hazira Port Private Limited
	Adani Hospitals Mundra Private Limited
	Adani Logistics Limited
	Adani Vizag Coal Terminal Private Limited
	Adani Warehousing Services Private Limited
	Karnavati Aviation Private Limited
	MPSEZ Utilities Private Limited
	Mundra International Airport Private Limited
	Mundra Solar Technopark Private Limited [March 09, 2015 to September 03, 2015]
	The Dhamra Port Company Limited
	Adani Vizhinjam Port Private Limited [incorporated on July 27, 2015]
	Mundra LPG Terminal Private Limited [September 04, 2015 to June 01, 2016] (formerly known as Adani LPG Terminal Private Limited)
	Mundra LPG Infrastructure Private Limited [w.e.f March 22, 2017] (formerly known as Hazira Road Infrastructure Private Limited)
	Adani Kattupalli Port Private Limited [incorporated on August 14, 2015]
	Adani Kandla Bulk Terminal Private Limited [w.e.f March 31, 2017]
	Adani Murmugao Port Terminal Private Limited [w.e.f March 31, 2017]
	Shanti Sagar International Dredging Private Limited [incorporated on May 05, 2015] (formerly known as Adani Food and Agro Processing Park Private Limited)
	Abbot Point Operations Pty Limited [incorporated on May 15, 2015]
	The Adani Harbour Services Private Limited [acquired on December 07,2016 (formerly known as TM Harbour Services Private Limited)
	Adani Petroleum Terminal Private Limited [incorporated on April 26, 2016]
	Adinath Polyfills Private Limited
Other Subsidiary Companies	Adani Kandla Bulk Terminal Private Limited [up to March 30, 2017]
	Adani Murmugao Port Terminal Private Limited [up to March 30, 2017]
	Dholera Infrastructure Private Limited
	Adani Petronet (Dahej) Port Private Limited
	Mundra SEZ Textile And Apparel Park Private Limited
Step down Subsidiary	Hazira Infrastructure Private Limited
	Mundra LPG Terminal Private Limited [incorporated June 02, 2016] (formerly known as Adani LPG Terminal Private Limited)
	Mundra LPG Infrastructure Private Limited [upto March 21, 2017] (formerly known as Hazira Road Infrastructure Private Limited)
	Dholera Port and Special Economic Zone Limited
	Dhamra LNG Terminal Private Limited [Incorporated on August 24, 2015]
	Abott Point Bulk Coal Pty Limited [acquired on October 04, 2016]
	Dhamra LPG Terminal Private Limited [incorporated on August 25, 2015]

Notes to the Financial Statements for the year ended March 31, 2017

31 RELATED PARTY DISCLOSURES (contd.)

B. Related parties with whom transaction have been taken place during the year.

Jointly Controlled Entities	Adani CMA Mundra Terminal Private Limited [incorporated on July 30, 2014]
	Adani International Container Terminal Private Limited
Associate	Mundra Solar Technopark Private Limited [September 03,2015 to March 05,2016]
Key Management Personnel and their relatives	Mr. Gautam S. Adani - Chairman and Managing Director
	Mr. Rajesh S. Adani - Director and Brother of Mr Gautam S. Adani
	Dr. Malay Mahadevia - Wholetime Director
	Mr. Sudipta Bhattacharya -Chief Executive Officer/ Director (till December 31, 2015)
	Mr Karan G. Adani -Chief Executive Officer and son of Mr Gautam Adani (w.e.f. January 01, 2016)
	Mr. Arun Duggal - Non-Executive Director [upto June 30, 2015]
	Mr. D. T. Joseph - Non-Executive Director [upto October 01, 2015]
	Mr. Sarthak Behuria - Non-Executive Director [w.e.f November 02, 2015 to March 31, 2016]
	Mr. A.K. Rakesh, IAS - Non-Executive Director [upto September 07, 2016]
	Prof. G. Raghuram - Non-Executive Director
	Mr. Sanjay S. Lalbhai - Non-Executive Director
	Ms. Radhika Haribhakti - Non-Executive Director
	Mr. Gopal Krishna Pillai - Non-Executive Director
	Mr. B. Ravi - Chief Finance Officer
	Ms. Dipti Shah - Company Secretary
Entities over which Key Management Personnel and their relative having significant influence	Adani Foundation
	Adani Institute of Infrastructure Management
	Adani Properties Private Limited
	Delhi Golf Link Properties Private Limited
	Adani Infrastructure and Developers Private Limited
	Adani Mundra SEZ Infrastructure Private Limited
	Adani Townships And Real Estate Company Private Limited
	Abbot Point Port Holdings Pte Ltd- Singapore
	Mundra Port Pty Ltd, Australia
	Shanti Builder
Entities over which major shareholders of the Company are able to exercise significant influence through voting powers.	Adani Agri Fresh Limited
	Adani Bunkering Private Limited
	Adani Enterprises Limited
	Mundra Solar Limited
	Mundra Solar PV Limited
	Adani Green Energy Limited
	Adani Gas Limited
	Adani Global F.Z.E.
	Adani Infra (India) Limited
	Adani Power Dahej Limited
	Adani Power Limited
	Adani Power Maharashtra Limited
	Adani Power Rajasthan Limited
	Adani Wilmar Limited
	Kutch Power Generation Limited
	Adani Institute for Education and Research
	Gujarat Adani Institute Of Medical Sciences
	Maharashtra Eastern Grid Power Transmission Company Limited
	Sarguja Rail Corridor Private Limited
	Mundra Solar Technopark Private Limited [w.e.f. March 05, 2016]

Notes to the Financial Statements for the year ended March 31, 2017

31 RELATED PARTY DISCLOSURES (contd.)

Terms and conditions of transactions with related parties

(i) 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, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties except provision has been made for loans given to subsidiaries of ₹15.51 crore (March 31, 2016 - NIL, April 01, 2015 - NIL). 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.

(ii) All loans are given on interest bearing within the range of 7.50 % to 11.50% except loan to Adani Logistics Limited; The Dhamra Port Company Limited; Dholera Infrastructure Private Limited; Dholera Port & Special Economic Zone Limited;Karnavati Aviation Private Limited; Adani Hospitals Mundra Private Limited whereby loan transaction amounting to ₹1,519.58 crore (previous year ₹1,005.14 crore) are interest free. During the year Company has granted relinquish current year on payment of interest on loan amounting to ₹2,671.64 crore given to certain subsidiaries, in earlier period and outstanding as at April 01,2016 i.e. Adani Ennore Container Terminal Private Limited; Adani Hazira Port Private Limited; Adani Kandla Bulk Terminal Private Limited; Adani Kattupalli Port Private Limited; Adani Murmugao Port Terminal Private Limited; Adani Vizag Coal Terminal Private Limited; Mundra SEZ Textile and Apparel Park Private Limited; Shanti Sagar International Dredging Private Limited and The Dhamra Port Company Limited to support the operation of these subsidiaries.

Notes:

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

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

Detail of Related Party Transactions for the year ended March 31, 2017

(₹ in crore)

Category	Name of Related Party	March 31, 2017	March 31, 2016
Income from Port Services / Other Operating Income	Adani Enterprises Ltd	13.04	56.03
	Adani Hazira Port Pvt Ltd	17.07	17.32
	Adani International Container Terminal Pvt Ltd	144.60	145.32
	Adani Kandla Bulk Terminal Pvt Ltd	-	4.00
	Adani Logistics Ltd	20.63	19.37
	Adani Petronet (Dahej) Port Pvt Ltd	-	1.30
	Adani Power Ltd	516.90	509.38
	Adani Power Maharashtra Ltd	-	0.03
	Adani Power Rajasthan Ltd	0.06	17.48
	Adani Warehousing Services Pvt Ltd	0.18	0.01
	Adani Wilmar Ltd	41.70	39.25
	Adani Bunkering Pvt Ltd	27.98	25.54
	MPSEZ Utilities Pvt Ltd	0.23	0.27
	Mundra SEZ Textile And Apparel Park Pvt Ltd	0.12	0.12
	Sarguja Rail Corridor Pvt Ltd	-	0.10
	Adani Mundra SEZ Infrastructure Pvt Ltd	0.01	0.84
	Mundra Solar Technopark Pvt Ltd	-	0.08
	Mundra Solar PV Ltd	6.90	0.80
	Adinath Polyfills Pvt Ltd	-	0.22
	Adani Foundation	-	-*
	Adani Global F.Z.E.	0.01	-
	The Dhamra Port Company Ltd	41.16	71.00

Notes to the Financial Statements for the year ended March 31, 2017

31 RELATED PARTY DISCLOSURES (contd.)

(₹ in crore)

Category	Name of Related Party	March 31, 2017	March 31, 2016
Recovery of expenses (Reimbursement)	Adani Murmugao Port Terminal Pvt Ltd	-	-*
	Adani Vizag Coal Terminal Pvt Ltd	-	0.01
	Adani International Container Terminal Pvt Ltd	5.54	7.72
	The Dhamra Port Company Ltd	-	3.35
	Adani Hazira Port Pvt Ltd	-	0.04
	Adani Petronet (Dahej) Port Pvt Ltd	-	0.09
	Adani Logistics Ltd	0.04	0.02
	Adani Hospitals Mundra Pvt Ltd	0.04	-
	Adani CMA Mundra Terminal Pvt Ltd	0.05	-
Lease & Infrastructure Usage Income/ Upfront Premium (Includes Reversal)	Adani International Container Terminal Pvt Ltd	4.61	4.19
	Adani Power Ltd	1.29	2.16
	Adani Wilmar Ltd (Transaction Reversal)	0.61	(3.05)
	MPSEZ Utilities Pvt Ltd	2.69	2.44
	Adani Mundra SEZ Infrastructure Pvt Ltd (Adjustment)	7.87	(0.14)
	Mundra Solar Technopark Pvt Ltd	121.40	423.15
	Mundra SEZ Textile And Apparel Park Pvt Ltd	2.59	2.59
Purchase of Spares and consumables, Power & Fuel	Adani Kandla Bulk Terminal Pvt Ltd	0.18	2.04
	Adani CMA Mundra Terminal Pvt Ltd	-	6.98
	Adani Power Ltd	0.01	0.21
	Adani Bunkering Pvt Ltd	63.88	-
	Adani Hazira Port Pvt Ltd	0.94	0.09
	Adani Petronet (Dahej) Port Pvt Ltd	0.62	0.24
	Adani Power Rajasthan Ltd	0.96	-
	MPSEZ Utilities Pvt Ltd	63.55	75.07
Services Availed (including reimbursement of expenses)	Adani Enterprises Ltd	31.99	14.40
	Adani Gas Ltd	0.01	0.01
	Adani Hospitals Mundra Pvt Ltd	0.16	0.41
	Adani International Container Terminal Pvt Ltd	-	0.03
	Adani Logistics Ltd	2.48	6.19
	Adani Power Ltd	14.78	16.51
	Karnavati Aviation Pvt Ltd	42.46	16.15
	Adani Mundra SEZ Infrastructure Pvt Ltd	0.13	2.34
	Delhi Golf Link Properties Pvt Ltd	-	0.06
	Adani Murmugao Port Terminal Pvt Ltd	0.17	-
	Adani CMA Mundra Terminal Pvt Ltd	2.28	-
	MPSEZ Utilities Pvt Ltd	7.82	-
	Adani Institute for Education and Research	0.80	-
	Shanti Builder	-	-
Rent charges paid	Adani International Container Terminal Pvt Ltd	3.80	1.61
	Adani Infrastructure and Developers Pvt Ltd	1.17	0.83
	Delhi Golf Link Properties Pvt Ltd	-	0.10
	Adani Properties Pvt Ltd	3.57	0.07
Interest Income on loans/ deposits/ deferred accounts receivable	Adani Agri Fresh Ltd	95.69	125.46
	Adani Ennore Container Terminal Pvt Ltd	3.21	19.64
	Adani Hazira Port Pvt Ltd	31.97	35.95
	Adani Enterprises Ltd	40.22	5.97
	Adani International Container Terminal Pvt Ltd	13.43	7.76
	Adani Kandla Bulk Terminal Pvt Ltd	4.68	90.50
	Adani Logistics Ltd	161.78	146.30

Notes to the Financial Statements for the year ended March 31, 2017

31 RELATED PARTY DISCLOSURES (contd.)

(₹ in crore)

Category	Name of Related Party	March 31, 2017	March 31, 2016
	Adani Murmugao Port Terminal Pvt Ltd	0.78	34.57
	Adani Petronet (Dahej) Port Pvt Ltd	57.60	46.19
	Adani Power Ltd	64.50	47.00
	Adani Power Rajasthan Ltd	2.49	3.03
	Adani Vizag Coal Terminal Pvt Ltd	0.93	21.10
	MPSEZ Utilities Pvt Ltd	-*	0.04
	Mundra Solar Technopark Pvt Ltd	21.93	5.89
	Adani Vizhinjam Port Pvt Ltd	17.00	0.44
	Adani Kattupalli Port Pvt Ltd	4.59	3.39
	Adani Bunkering Pvt Ltd	29.55	12.08
	Mundra SEZ Textile And Apparel Park Pvt Ltd	0.17	2.46
	The Dhamra Port Company Ltd	160.31	63.20
	Maharashtra Eastern Grid Power Transmission Company Ltd	-	7.03
	Mundra LPG Terminal Pvt Ltd	0.13	-
	Adani Petroleum Terminal Pvt Ltd	1.03	-
	Adani CMA Mundra Terminal Pvt Ltd	0.16	-
	Adani Warehousing Services Pvt Ltd	-*	-
	Shanti Sagar International Dredging Pvt Ltd	-*	0.21
Sales of Scrap and other Miscellaneous Income	Adani Enterprises Ltd	-	-*
	Adani International Container Terminal Pvt Ltd	6.66	5.44
	Adani Kandla Bulk Terminal Pvt Ltd	0.29	1.09
	Adani Logistics Ltd	-	-*
	Adani Power Ltd	0.62	0.14
	Mundra Solar Technopark Pvt Ltd	-	0.57
	Adani Petronet (Dahej) Port Pvt Ltd	0.09	0.13
	Adani Wilmar Ltd	-	0.15
	Adani Bunkering Pvt Ltd	-	0.02
	MPSEZ Utilities Pvt Ltd	0.02	0.07
	Adani Ennore Container Terminal Pvt Ltd	-	1.36
	Adani Foundation	0.01	0.01
	Adani Hospitals Mundra Pvt Ltd	-	0.02
	Mundra Solar Ltd	-	0.08
	Mundra Solar PV Ltd	0.13	0.07
	Hazira Infrastructure Pvt Ltd	-	0.25
	The Dhamra Port Company Ltd	5.74	-
	Adani Murmugao Port Terminal Pvt Ltd	0.06	-
	Mundra LPG Terminal Pvt Ltd	0.05	-
	Mundra SEZ Textile And Apparel Park Pvt Ltd	-	0.02
Loans Given	Adani Agri Fresh Ltd	3.00	-
	Adani Ennore Container Terminal Pvt Ltd	87.17	342.35
	Adani Enterprises Ltd	725.00	175.00
	Adani Hazira Port Pvt Ltd	2,256.88	447.21
	Adani Hospitals Mundra Pvt Ltd	0.08	0.15
	Adani International Container Terminal Pvt Ltd	786.42	43.12
	Adani Kandla Bulk Terminal Pvt Ltd	125.83	280.71
	Adani Logistics Ltd	1,577.25	1,290.05
	Adani Murmugao Port Terminal Pvt Ltd	30.44	194.63
	Adani Petronet (Dahej) Port Pvt Ltd	179.78	606.23
	Adani Vizag Coal Terminal Pvt Ltd	21.82	204.24

Notes to the Financial Statements for the year ended March 31, 2017

31 RELATED PARTY DISCLOSURES (contd.)

(₹ in crore)

Category	Name of Related Party	March 31, 2017	March 31, 2016
	Dholera Infrastructure Pvt Ltd	-	0.11
	Karnavati Aviation Pvt Ltd	46.97	39.45
	MPSEZ Utilities Pvt Ltd	7.22	23.07
	Mundra International Airport Pvt Ltd	0.36	0.60
	Mundra SEZ Textile And Apparel Park Pvt Ltd	3.81	6.99
	Dholera Port and Special Economic Zone Ltd	0.01	4.10
	Mundra Solar Technopark Pvt Ltd	155.49	328.09
	Adani Vizhinjam Port Pvt Ltd	544.16	26.95
	Shanti Sagar International Dredging Pvt Ltd	0.20	46.29
	Adani Kattupalli Port Pvt Ltd	135.25	90.90
	Abbot Point Operations Pty Ltd	101.67	-
	Adani Petroleum Terminal Pvt Ltd	87.50	-
	Adani Warehousing Services Pvt Ltd	0.01	-
	Dhamra LNG Terminal Pvt Ltd	0.55	-
	The Dhamra Port Company Ltd	793.18	921.75
	Adani CMA Mundra Terminal Pvt Ltd	7.22	-
	Mundra LPG Terminal Pvt Ltd	14.95	-
	Maharashtra Eastern Grid Power Transmission Company Ltd	-	427.00
Advance / Deposit given	Adani Bunkering Pvt Ltd	-	300.00
	Adani Power Ltd	-	200.00
	Adani Enterprises Ltd	0.66	552.00
	Adani Properties Pvt Ltd	140.00	-
Advance / Deposit Received back / utilised	Adani Bunkering Pvt Ltd	48.19	-
	Adani Power Ltd	200.00	-
	Adani Enterprises Ltd	552.00	-
Loans Received back	Adani Agri Fresh Ltd	1,034.40	33.48
	Adani Ennore Container Terminal Pvt Ltd	4.75	6.00
	Adani Hazira Port Pvt Ltd	635.24	404.76
	Adani International Container Terminal Pvt Ltd	-	127.12
	Adani Enterprises Ltd	725.00	175.00
	Adani Hospitals Mundra Pvt Ltd	0.25	-
	Adani Kandla Bulk Terminal Pvt Ltd	49.51	145.29
	Adani Logistics Ltd	2,871.69	1,030.10
	Adani Murmugao Port Terminal Pvt Ltd	21.07	28.30
	Adani Petronet (Dahej) Port Pvt Ltd	188.50	102.38
	Adani Vizag Coal Terminal Pvt Ltd	0.60	8.85
	Dholera Infrastructure Pvt Ltd	-	4.09
	Mundra Solar Technopark Pvt Ltd	479.47	4.11
	Karnavati Aviation Pvt Ltd	16.40	28.50
	MPSEZ Utilities Pvt Ltd	5.62	23.20
	Mundra International Airport Pvt Ltd	0.45	2.50
	Mundra SEZ Textile And Apparel Park Pvt Ltd	1.75	2.59
	Maharashtra Eastern Grid Power Transmission Company Ltd	-	427.00
	Shanti Sagar International Dredging Pvt Ltd	46.49	-
	Adani Kattupalli Port Pvt Ltd	121.95	-
	The Dhamra Port Company Ltd	362.07	1,390.20
Share Application Money Paid / Investment	Adani Vizhinjam Port Pvt Ltd	199.96	0.05
	Adani Kattupalli Port Pvt Ltd	-	0.05
	Mundra LPG Terminal Pvt Ltd	-	0.05

Notes to the Financial Statements for the year ended March 31, 2017

31 RELATED PARTY DISCLOSURES (contd.)

(₹ in crore)

Category	Name of Related Party	March 31, 2017	March 31, 2016
	Shanti Sagar International Dredging Pvt Ltd	-	0.05
	Adani Kandla Bulk Terminal Pvt Ltd	-	74.00
	Mundra International Airport Pvt Ltd	-	2.00
	Mundra Solar Technopark Pvt Ltd	-	2.40
	Abbot Point Operations Pty Ltd	0.51	-*
	Adani Petroleum Terminal Pvt Ltd	0.20	-
Purchase of Investment	Adani Enterprises Ltd (refer note 4.4)	61.34	-
	Adani Hazira Port Pvt Ltd	0.05	-
Sale of Investment	Adani Green Energy Ltd	-	1.90
	Adani Petroleum Terminal Pvt Ltd	0.05	-
Donation	Adani Foundation	39.08	40.00
	Gujarat Adani Institute of Medical Sciences	7.50	-
Purchase of Property / Assets /Land use rights	Adani Enterprises Ltd	265.00	-
	Adani Properties Pvt Ltd	60.30	-
	Adani Mundra SEZ Infrastructure Pvt Ltd	8.90	-
Sale of Assets	Adani Hazira Port Pvt Ltd	-	0.13
	Adani CMA Mundra Terminal Pvt Ltd	7.22	-
	Adani International Container Terminal Pvt Ltd	0.97	0.72
Subscription of compulsory convertible debentures/ perpetual convertible debt	The Dhamra Port Company Ltd	2,457.00	-
	Adani Kattupalli Port Pvt Ltd	1,450.00	-
Remuneration	Mr. Gautam S. Adani	1.80	1.80
	Mr. Sudipta Bhattacharya	-	3.14
	Mr. Karan G. Adani	0.88	-
	Mr. B. Ravi	3.54	2.88
	Ms. Dipti Shah	0.23	0.20
	Dr. Malay Mahadevia	11.10	10.70
Commission to Director	Mr. Gautam S. Adani	1.00	1.00
Commission to Non-Executive Director	Prof. G. Raghuram	0.12	0.12
	Mr. Sanjay S. Lalbhai	0.12	0.12
	Mr. Arun Duggal	-	0.03
	Mr. D. T. Joseph	-	0.06
	Mr. Sarthak Behuria	-	0.05
	Ms. Radhika Haribhakti	0.12	0.12
	Mr. Gopal Krishna Pillai	0.12	0.12
Sitting Fees	Mr. Rajesh S. Adani	0.05	0.08
	Prof. G. Raghuram	0.03	0.03
	Mr. Sanjay S. Lalbhai	0.01	0.01
	Mr. Arun Duggal	-	0.01
	Mr. D. T. Joseph	-	0.01
	Mr. Sarthak Behuria	-	0.01
	Mr. A.K. Rakesh, IAS	-	-*
	Ms. Radhika Haribhakti	0.03	0.03
	Mr. Gopal Krishna Pillai	0.01	0.01
Corporate Guarantee Given	Adani International Container Terminal Pvt Ltd	-	USD 175.00 mio
	Adani CMA Mundra Terminal Pvt Ltd	-	448.00

Notes to the Financial Statements for the year ended March 31, 2017

31 RELATED PARTY DISCLOSURES (contd.)

(₹ in crore)

Closing Balance	Name of Related Party	March 31, 2017	March 31, 2016	April 01, 2015
Trade Receivable	Adani Enterprises Ltd	8.64	10.38	6.25
	Adani Foundation	-	0.01	0.01
	Adani Hazira Port Pvt Ltd	11.74	1.34	22.71
	Adani Infra (India) Ltd	-	-	0.10
	Adani International Container Terminal Pvt Ltd	49.55	4.54	61.34
	Adani Kandla Bulk Terminal Pvt Ltd	0.07	4.94	0.79
	Adani Logistics Ltd	7.14	0.93	5.00
	Adani Murmugao Port Terminal Pvt Ltd	-	0.01	0.27
	Adani Petronet (Dahej) Port Pvt Ltd	-	0.06	-
	Adani Power Dahej Ltd	10.32	15.74	22.69
	Adani Power Ltd	483.41	591.66	593.32
	Adani Power Maharashtra Ltd	-	-	0.06
	Adani Power Rajasthan Ltd	15.76	33.50	19.39
	Adani Vizag Coal Terminal Pvt Ltd	-	-	0.29
	Adani Wilmar Ltd	4.58	2.80	3.04
	Adani Bunkering Pvt Ltd	5.10	3.31	0.66
	MPSEZ Utilities Pvt Ltd	0.24	0.04	0.07
	Mundra SEZ Textile And Apparel Park Pvt Ltd	-	-	-*
	Sarguja Rail Corridor Pvt Ltd	-	0.11	-
	The Dhamra Port Company Ltd	17.15	24.04	14.05
	Mundra Solar Technopark Pvt Ltd	124.38	196.44	-
	Adani Mundra SEZ Infrastructure Pvt Ltd	14.29	6.90	-
	Adani Hospitals Mundra Pvt Ltd	0.03	0.01	-
	Adani Ennore Container Terminal Pvt Ltd	-	1.42	-
	Shanti Sagar International Dredging Pvt Ltd	0.31	-	-
	Adani Global F.Z.E.	0.01	-	-
	Adani Warehousing Services Pvt Ltd	0.11	-	-
	Mundra Solar Pv Ltd	2.73	0.79	-
		755.56	**898.97**	**750.04**
Loans	Adani Agri Fresh Ltd	-	1,031.40	1,064.88
	Adani Ennore Container Terminal Pvt Ltd	483.44	401.02	64.67
	Adani International Container Terminal Pvt Ltd	786.42	-	84.00
	Adani Hazira Port Pvt Ltd	1,942.10	320.46	278.01
	Adani Hospitals Mundra Pvt Ltd	4.09	4.27	4.12
	Adani Kandla Bulk Terminal Pvt Ltd	1,139.46	1,063.14	927.72
	Adani Logistics Ltd	306.05	1,600.49	1,340.54
	Adani Murmugao Port Terminal Pvt Ltd	416.75	407.38	241.05
	Adani Petronet (Dahej) Port Pvt Ltd	504.73	513.45	9.55
	Adani Vizag Coal Terminal Pvt Ltd	290.08	268.86	73.48
	Dholera Infrastructure Pvt Ltd	4.80	4.80	8.79
	Dholera Port and Special Economic Zone Ltd	4.11	4.10	-
	Karnavati Aviation Pvt Ltd	184.42	153.85	142.90
	MPSEZ Utilities Pvt Ltd	1.60	-	0.13
	Mundra International Airport Pvt Ltd	6.74	6.83	8.74
	Mundra SEZ Textile And Apparel Park Pvt Ltd	31.05	28.99	24.59
	Mundra Solar Technopark Pvt Ltd	-	323.97	-
	The Dhamra Port Company Ltd	960.71	529.60	998.05
	Adani Vizhinjam Port Pvt Ltd	571.11	26.95	-
	Shanti Sagar International Dredging Pvt Ltd	-	46.29	-

Notes to the Financial Statements for the year ended March 31, 2017

31 RELATED PARTY DISCLOSURES (contd.)

(₹ in crore)

Closing Balance	Name of Related Party	March 31, 2017	March 31, 2016	April 01, 2015
	Abbot Point Operations Pty Ltd	99.15	-	-
	Adani CMA Mundra Terminal Pvt Ltd	7.22	-	-
	Mundra LPG Terminal Pvt Ltd	14.95	-	-
	Adani Petroleum Terminal Pvt Ltd	87.50	-	-
	Adani Warehousing Services Pvt Ltd	0.01	-	-
	Dhamra LNG Terminal Pvt Ltd	0.55	-	-
	Adani Kattupalli Port Pvt Ltd	104.20	90.90	-
		7,951.24	**6,826.76**	**5,271.22**
Capital Advances	Adani CMA Mundra Terminal Pvt Ltd	2.64	0.55	0.55
	Adani Bunkering Pvt Ltd	0.03	0.03	0.03
	Adani Mundra SEZ Infrastructure Pvt Ltd	8.19	22.00	-
	Adani Enterprises Ltd	0.66	-	-
	Adani Properties Pvt Ltd	140.00	-	-
		151.52	**22.58**	**0.58**
Trade Payable (including provisions)	Adani Enterprises Ltd	14.94	4.39	1.64
	Adani Hospitals Mundra Pvt Ltd	0.06	0.27	-*
	Adani Gas Ltd	-	-	-*
	Adani International Container Terminal Pvt Ltd	3.24	0.16	0.24
	Adani Logistics Ltd	0.03	1.22	1.16
	Adani Power Ltd	6.10	1.78	1.25
	Adani CMA Mundra Terminal Pvt Ltd	9.26	6.98	-
	Adani Kandla Bulk Terminal Pvt Ltd	-	-	0.17
	Adani Bunkering Pvt Ltd	0.57	10.72	0.53
	Karnavati Aviation Pvt Ltd	33.34	8.53	2.06
	MPSEZ Utilities Pvt Ltd	5.00	5.71	5.86
	Adani Mundra SEZ Infrastructure Pvt Ltd	0.36	0.47	-
	The Dhamra Port Company Ltd	0.20	0.04	-
	Adani Petronet (Dahej) Port Pvt Ltd	0.12	0.20	-
	Adani Infrastructure and Developers Pvt Ltd	0.57	0.29	-
	Adani Townships and Real Estate Company Pvt Ltd	0.28	0.01	-
	Adani Ennore Container Terminal Pvt Ltd	0.20	-	-
	Adani Green Energy Ltd	0.04	-	-
	Adani Hazira Port Pvt Ltd	21.40	-	-
	Adani Infra (India) Ltd	0.01	-	-
	Adani Power Rajasthan Ltd	0.96	-	-
	Adani Vizhinjam Port Pvt Ltd	0.22	-	-
	Mundra Solar Pv Ltd	0.02	-	-
	Adani Wilmar Ltd	-	0.09	-
		96.92	**40.86**	**12.91**
Advances and Deposits from Customer/ Sale of Assets	Adani Enterprises Ltd	2.05	1.48	27.95
	Adani Logistics Ltd	0.40	0.07	1.04
	Adani Wilmar Ltd	2.77	3.00	1.85
	Adani Bunkering Pvt Ltd	2.00	2.00	2.01
	Kutch Power Generation Ltd	3.21	3.21	3.21
	Adani Power Ltd	0.83	1.53	1.48
	Adani Mundra SEZ Infrastructure Pvt Ltd	0.06	0.02	-
	Mundra Solar Technopark Pvt Ltd	4.83	31.23	-
	Shanti Sagar International Dredging Pvt Ltd	-	46.18	-

Notes to the Financial Statements for the year ended March 31, 2017

31 RELATED PARTY DISCLOSURES (contd.)

(₹ in crore)

Closing Balance	Name of Related Party	March 31, 2017	March 31, 2016	April 01, 2015
	MPSEZ Utilities Pvt Ltd	-	-	0.01
	Adani Petronet (Dahej) Port Pvt Ltd	0.01	0.01	-
	Adani Foundation	0.01	-	-
	Adani Hazira Port Pvt Ltd	0.01	-	-
	Adani International Container Terminal Pvt Ltd	136.74	0.40	-
		152.92	**89.15**	**37.55**
Other Financial & Non-Financial Assets	Adani Agri Fresh Ltd	-	-	27.25
	Adani Hazira Port Pvt Ltd	28.77	0.78	-
	Adani International Container Terminal Pvt Ltd	55.34	44.72	44.99
	Adani Petronet (Dahej) Port Pvt Ltd	13.06	27.20	-
	Adani Murmugao Port Terminal Pvt Ltd	1.06	15.07	-
	Adani Kandla Bulk Terminal Pvt Ltd	4.55	38.57	87.88
	Adani Logistics Ltd	79.48	33.76	28.26
	Adani Vizag Coal Terminal Pvt Ltd	0.87	10.42	-
	Adani Power Ltd	163.91	325.81	97.09
	Adani Power Rajasthan Ltd	5.28	2.89	-
	Adani Bunkering Pvt Ltd	277.67	321.19	0.15
	Adani Wilmar Ltd	0.01	-	2.77
	MPSEZ Utilities Pvt Ltd	2.45	2.28	2.51
	Mundra SEZ Textile And Apparel Park Pvt Ltd	0.16	1.06	2.76
	The Dhamra Port Company Ltd	144.29	21.59	12.89
	Adani Ennore Container Terminal Pvt Ltd	2.69	12.10	-
	Mundra Solar Technopark Pvt Ltd	-	5.30	-
	Adani Mundra SEZ Infrastructure Pvt Ltd	76.60	76.60	-
	Adani Vizhinjam Port Pvt Ltd	9.41	0.40	-
	Abbot Point Port Holdings Pte Ltd- Singapore	85.13	87.53	81.62
	Adani Enterprises Ltd	4.95	809.70	250.00
	Adani Properties Pvt Ltd	1.00	1.00	1.00
	Dholera Infrastructure Pvt Ltd	0.01	-	-
	Delhi Golf Link Properties Pvt Ltd	100.00	100.00	100.00
	Adani Warehousing Services Pvt Ltd	0.02	-	-
	Shanti Sagar International Dredging Pvt Ltd	-	0.19	-
	Adani Kattupalli Port Pvt Ltd	4.13	3.05	-
	Adani CMA Mundra Terminal Pvt Ltd	7.43	-	-
	Mundra LPG Terminal Pvt Ltd	0.12	-	-
	Adani Petroleum Terminal Pvt Ltd	0.92	-	-
		1,069.31	**1,941.21**	**739.17**
Other Financial & Non-Financial Liabilities	Adani International Container Terminal Pvt Ltd	-	0.15	0.09
	Adani Logistics Ltd	0.01	0.01	0.01
	Adani Bunkering Pvt Ltd	15.59	0.25	0.25
	MPSEZ Utilities Pvt Ltd	0.01	0.00	0.00
	Shanti Builder	0.04	0.04	0.04
	Adani Kandla Bulk Terminal Pvt Ltd	-	-	0.46
	Adani CMA Mundra Terminal Pvt Ltd	0.07	-	-
		15.72	**0.45**	**0.84**
Corporate Guarantee	Adani International Container Terminal Pvt Ltd	USD 50.00 Mn	USD 250.00 Mn	USD 165.00 Mn
	Adani International Container Terminal Pvt Ltd	-	-	305.00
	Karnavati Aviation Pvt Ltd	USD 41.48 Mn	USD 41.48 Mn	USD 41.48 Mn

Notes to the Financial Statements for the year ended March 31, 2017

31 RELATED PARTY DISCLOSURES (contd.)

(₹ in crore)

Closing Balance	Name of Related Party	March 31, 2017	March 31, 2016	April 01, 2015
	Adani CMA Mundra Terminal Pvt Ltd	448.00	448.00	-
	Mundra Port Pty Ltd, Australia	USD 800.00 Mn	USD 800.00 Mn	USD 800.00 Mn
Corporate Guarantee (Deed of indemnity received)	Abbot Point Port Holdings Pte Ltd- Singapore	USD 800.00 Mn	USD 800.00 Mn	USD 800.00 Mn

* Figures being nullified on conversion to ₹ in crore.

Notes:

a) The Company has allowed to some of its subsidiaries, jointly controlled entities and other group company to avail non fund based bank guarantee facilities out of its credit facilities. The aggregate of such transaction amount ₹1,918.63 crore (previous year ₹990.46 crore and April 01, 2015 ₹513.71 crore) is not disclosed in above schedule.

b) During the year, out of total advance of ₹302 crore given to Adani Enterprises Limited for acquisition of equity, the Company has adjusted ₹52 crore for the purpose of acquisition of Non-Controlling interest in two subsidiaries. (refer note 4 (d)) and balance amount is received back.

c) During previous year, as per composite scheme of arrangement from Adani Enterprises Limited, the Company has taken over fixed assets of ₹28.02 crore, trade payable of ₹4.66 crore trade receivable of ₹3.04 crore and loans and advances of ₹0.57 crore.

d) Pass through transactions/payable relating to railway freight, water front charges and other payable to third parties have not been considered for the purpose of related party disclosure.

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

Particulars	Particulars of Derivatives			Purpose
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	
INR - Foreign Currency Swap	-	USD 84.67 Million (₹456.55 crore)	USD 355.50 Million (₹1906.21 crore)	Hedging of equivalent rupee non convertible debentures aggregate of NIL (previous year ₹456.55 crore and March 31, 2015 ₹1829.39 crore and ₹76.82 crore of long term loan) to mitigate higher interest rate of INR borrowings as against the foreign currency loans with possible risk of principal currency losses.
Forward Contract	USD 111.50 Million (₹788.67 Crores	USD 320.50 Million (₹2234.99 crore)	USD 12.50 Million (₹82.98 crore)	Hedging of expected future billing based on foreign currency denominated tariff USD 111.50 Million (previous year USD 320.50 Million and April 01, 2015 USD 12.50 Million).
	USD 48.00 Million (₹336.85 Crores)	USD 50.08 Million (₹338.02 crore)	-	Hedging of foreign currency borrowing principal & interest liability of USD 48 Million (previous year USD 50.08 Million and April 01, 2015 USD NIL)
	USD 3.04 Million (₹20.94 Crores)	-	-	Hedging of foreign currency Buyer's Credit Facility of USD 3.04 Million (previous year USD NIL and April 01, 2015 USD NIL)

Notes to the Financial Statements for the year ended March 31, 2017

32 (contd.)

Particulars	Particulars of Derivatives			Purpose
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	
	USD 106.08 Million (EUR 98.00 Million)	-	-	Hedging of foreign currency borrowing principal liability of USD 106.08 Million against EUR (previous year NIL and April 01, 2015 USD NIL)
	USD 9.00 Million (JPY 992.58 Million)	-	-	Hedging of foreign currency borrowing principal liability of USD 9 Million against JPY (previous year NIL and April 01, 2015 USD NIL)
	-	-	EUR 4.65 Million (₹35.17 crore)	Hedging of foreign currency term loan instalment liability of NIL (previous year NIL and April 01, 2015 EUR 4.65 Million)
Options	-	USD 126.25 Million	-	Hedging of foreign currency borrowing principal liability of NIL (previous year USD 126.25 Million and April 01, 2015 NIL)
	USD 11.38 Million	-	-	Hedging of foreign currency borrowing interest liability of USD 11.38 Million (previous year NIL and April 01, 2015 USD NIL)
	USD 146.46 Million (EUR 137.25 Million)	-	-	Hedging of foreign currency borrowing principal liability of USD 146.46 Million against EUR (previous year NIL and April 01, 2015 USD NIL)
	USD 36.00 Million (JPY 4104.00 Million)	-	-	Hedging of foreign currency borrowing principal liability of USD 36 Million against JPY (previous year NIL and April 01, 2015 USD NIL)
	USD 30.48 Million	-	-	Hedging of foreign currency Buyer's Credit Facility of USD 30.48 Million (previous year NIL and April 01, 2015 NIL)
Interest rate Swap - Fixed to Variable Rate	Interest on USD 175.00 Million Principal amount	Interest on USD 100.00 Million Principal amount	Interest on USD 5.00 Million Principal amount	Hedging of interest rate on foreign currency borrowing liability equivalent of USD 175 Million (previous year USD 100 Million and April 01, 2015 USD 5 Million)
Foreign Currency - INR Full Currency Swap	USD 146.38 Million (₹987.05 crore)	USD 35 Million (₹228.76 crore)		Hedging of currency and interest rate risk of foreign currency borrowing of USD 146.38 Million (previous year USD 35 Million and April 01, 2015 NIL)
Interest rate future	-	-	₹104.52 Crore	Hedging of Interest costs on rupee term loan NIL (previous year NIL and April 01 2015 ₹104.52 crore)

Notes to the Financial Statements for the year ended March 31, 2017

32 (contd.)

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

Nature	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Amount	Foreign Currency	Amount	Foreign Currency	Amount	Foreign Currency
	(₹ In Crore)	(in Million)	(₹ In Crore)	(in Million)	(₹ In Crore)	(in Million)
Foreign Currency Loan	2,578.11	USD 397.55	2403.57	USD 362.78	4834.06	USD 773.45
	243.51	EUR 35.14	463.45	EUR 61.47	461.04	EUR 68.22
	12.31	JPY 212.16	110.21	JPY 1868.49	116.09	JPY 2226.88
Foreign Currency Bond	6,735.48	USD 1038.63	4306.58	USD 650.00	-	USD -
Buyer's Credit	370.13	USD 57.07	68.24	USD 10.30	249.52	USD 39.92
	1.53	EUR 0.22	13.45	EUR 1.78	26.95	EUR 4.01
Trade Payables	12.41	USD 1.91	2.61	USD 0.39	2.56	USD 0.41
	3.32	EUR 0.48	0.86	EUR 0.11	2.60	EUR 0.39
	2.84	JPY 48.90	0.81	JPY 13.67	0.43	JPY 8.29
	0.01	SGD #	*	SGD #	0.03	SGD 0.01
	0.04	GBP #	-	-	*	GBP #
Other Current Liabilities	78.14	USD 12.05	4.34	USD 0.66	1.33	USD 0.21
	2.15	EUR 0.31	0.69	EUR 0.09	0.30	EUR 0.04
	-	-	-	-	0.01	EUR 0.04
Interest accrued but not due	-	USD -	10.26	USD 1.55	30.86	USD 4.94
	0.82	EUR 0.12	1.61	EUR 0.21	2.01	EUR 0.30
	0.11	JPY 1.87	1.00	JPY 16.87	1.04	JPY 19.88
Other Receivable	85.13	AUD 17.17	87.54	AUD 17.17	81.62	AUD 17.17

* Figures being nullified on conversion to ₹ in crore.

Figures being nullified on conversion to foreign currency in million.

Closing rates as at :

	March 31, 2017	March 31, 2016	April 01, 2015
INR / USD	64.85	66.26	62.50
INR / EUR	69.29	75.40	67.19
INR / GBP	80.90	95.47	92.47
INR / JPY	0.58	0.59	0.52
INR / AUD	49.58	50.98	47.54
INR / SGD	48.41	48.02	45.48

Notes to the Financial Statements for the year ended March 31, 2017

33 Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management

33.1 Category-wise Classification of Financial Instruments:

(₹ in crore)

Particulars	Refer Note	As at March 31, 2017			
		Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial Assets					
Cash and cash equivalents	11	-	-	549.27	549.27
Bank balances other than cash and cash equivalents	11	-	-	1,047.41	1,047.41
Investments in unquoted Equity Shares (other than investment in subsidiaries and jointly controlled entities)	4	200.94	-	-	200.94
Investments in unquoted equity shares and perpetual debt of subsidiaries and jointly controlled entities	4	-	-	6,857.71	6,857.71
Investments in unquoted Mutual Funds	10	-	0.25	-	0.25
Investments in unquoted Debentures and Commercial Papers	4 & 10	-	-	3,351.49	3,351.49
Trade Receivables (including bill discounted)	5	-	-	1,794.63	1,794.63
Loans	6	-	-	9,421.61	9,421.61
Financial Guarantees, received	7	-	8.74	-	8.74
Derivatives instruments not designated as hedge	7	-	83.54	-	83.54
Other Financial assets	7	-	-	1,508.81	1,508.81
Total		**200.94**	**92.53**	**24,530.93**	**24,824.40**
Financial Liabilities					
Borrowings (including the bills discounted and current maturities)	14, 15 & 17	-	-	20,207.15	20,207.15
Trade Payables	18	-	-	258.26	258.26
Derivatives instruments not designated as hedge	15	-	89.93	-	89.93
Financial Guarantees, given	15	-	12.12	-	12.12
Other Financial Liabilities	15	-	-	522.44	522.44
Total		**-**	**102.05**	**20,987.85**	**21,089.90**

(₹ in crore)

Particulars	Refer Note	As at March 31, 2016			
		Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial Assets					
Cash and cash equivalents	11	-	-	699.87	699.87
Bank balances other than cash and cash equivalents	11	-	-	366.49	366.49
Investments in unquoted Equity Shares (other than investment in subsidiaries and jointly controlled entities)	4	189.03	-	-	189.03
Investments in unquoted equity shares and perpetual debt of subsidiaries and jointly controlled entities	4	-	-	4,845.74	4,845.74
Investments in unquoted Mutual Funds	10	-	128.10	-	128.10
Investments in unquoted Debentures and Commercial Papers	4 & 10	-	-	150.00	150.00
Trade Receivables (including bill discounted)	5	-	-	1,566.41	1,566.41
Loans	6	-	-	8,634.26	8,634.26
Financial Guarantees, received	7	-	13.10	-	13.10
Other Financial assets	7	-	-	2,134.87	2,134.87
Derivatives instruments not designated as hedge	8	-	-	-	
Total		**189.03**	**141.20**	**18,397.64**	**18,727.87**
Financial Liabilities					
Borrowings (including the bills discounted and current maturities)	14, 15 & 17	-	-	15,887.78	15,887.78
Trade Payables	18	-	-	185.28	185.28
Derivatives Instruments not designated as hedge	15	-	74.73	-	74.73
Financial Guarantees, given	15	-	21.31	-	21.31
Other Financial Liabilities	15	-	-	291.11	291.11
Total		**-**	**96.04**	**16,364.17**	**16,460.21**

Notes to the Financial Statements for the year ended March 31, 2017

33.1 Category-wise Classification of Financial Instruments: (contd.)

(₹ in crore)

Particulars	Refer Note	As at March 31, 2015			
		Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial Assets					
Cash and cash equivalents	11	-	-	443.01	443.01
Bank balances other than cash and cash equivalents	11	-	-	75.22	75.22
Investments in unquoted Equity Shares (other than investment in subsidiaries and jointly controlled entities)	4	167.05	-	-	167.05
Investments in unquoted equity shares and perpetual debt of subsidiaries and jointly controlled entities	4	-	-	4,722.28	4,722.28
Investments in unquoted Mutual Funds	10	-	202.88	-	202.88
Trade Receivables (including bill discounted)	5	-	-	1,623.07	1,623.07
Loans	6	-	-	6,315.20	6,315.20
Financial Guarantees, received	7	-	17.22	-	17.22
Other Financial assets	7	-	-	978.96	978.96
Total		**167.05**	**220.10**	**14,157.74**	**14,544.89**
Financial Liabilities					
Borrowings (including the bills discounted and current maturities)	14, 15 & 17	-	-	12,203.21	12,203.21
Trade Payables	18	-	-	187.81	187.81
Derivatives Instruments not designated as hedge	15	-	320.25	-	320.25
Financial Guarantees, given	15	-	26.02	-	26.02
Other Financial Liabilities	15	-	-	181.24	181.24
Total		**-**	**346.27**	**12,572.26**	**12,918.53**

33.2 Fair Value Measurements:

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

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities: (₹ in crore)

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	Significant observable Inputs (Level 2)	Significant unobservable Inputs (Level 3)	Total	Significant observable Inputs (Level 2)	Significant unobservable Inputs (Level 3)	Total	Significant observable Inputs (Level 2)	Significant unobservable Inputs (Level 3)	Total
Financial Assets									
Investment in unquoted Equity Investments measured at FVTOCI (refer note 4)	-	200.94	200.94	-	189.03	189.03	-	167.05	167.05
Investments in unquoted Mutual Funds measured at FVTPL (refer note 10)	0.25	-	0.25	128.10	-	128.10	202.88	-	202.88
Derivative instrument	83.54	-	83.54	-	-	-	-	-	-
Financial Guarantees, received	-	8.74	8.74	-	13.10	13.10	-	17.22	17.22
Total	**83.79**	**209.68**	**293.47**	**128.10**	**202.13**	**330.23**	**202.88**	**184.27**	**387.15**
Financial Liabilities									
Derivative instruments	89.93	-	89.93	74.73	-	74.73	320.25	-	320.25
Financial Guarantees, given	-	12.12	12.12	-	21.31	21.31	-	26.02	26.02
Total	**89.93**	**12.12**	**102.05**	**74.73**	**21.31**	**96.04**	**320.25**	**26.02**	**346.27**

Notes to the Financial Statements for the year ended March 31, 2017

33.2 Fair Value Measurements: (contd.)

b) Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2017, March 31, 2016 and April 01, 2015 are as shown below:

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
FVTOCI assets in unquoted equity shares	DCF Method	Weighted Average Cost of Capital (WACC)	31 March 2017 : 13.56% - 18.45% (16.01%) 31 March 2016 : 12.11% - 27.49% (19.8%); April 01, 2015 : 19.23% - 27.49% (23.36%)	1% increase would result in decrease in fair value by ₹13.54 crore as of March 31, 2017 (₹10.79 crore as of March 31, 2016, ₹8.61 crore as of April 01, 2015)
		Perpetual Growth Rate for Subsequent years	31 March 2017 : 2% - 5% (3.5%) 31 March 2016 : 5%; April 01, 2015 : 5%	1% decrease would result in decrease in fair value by ₹7.40 crore as of March 31, 2017 (₹5.19 crore as of March 31, 2016, ₹3.66 crore as of April 01, 2015)
Financial guarantee obligations	Based on the outstanding value of guarantee	Counterparty Non performance risk	The Value of Financial Guarantee is based on the outstanding whereby it is considered at 1% of the Outstanding amount of Guarantee	0.1% decrease in basis would result in decrease in value of guarantee by ₹1.64 crore as of March 31, 2017 (₹1.64 crore as of March 31, 2016, ₹0.92 crore as of April 01, 2015)
	Based on the outstanding value of guarantee	Own non - Performance Risk	The Value of Financial Guarantee is based on the outstanding whereby it is considered at 1% of the Outstanding amount of Guarantee	0.1% decrease in basis would result in decrease in value of guarantee by ₹0.30 crore as of March 31, 2017 (₹0.30 crore as of March 31, 2016, ₹0.30 crore as of April 01, 2015)

c) Financial Instrument measured at Amortised Cost

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

33.3 Financial Risk objective and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations/ projects and to provide guarantees to support its operations and its subsidiaries and jointly controlled entities. The Company's principal financial assets include loans, investment including mutual funds, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

In the ordinary course of business, the Company is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. The Company's senior management oversees the management of these risks. It manages its exposure to these risks through derivative financial instruments by hedging transactions. It uses derivative instruments such as Cross Currency Swaps, Full Currency swaps, Interest rate swaps, foreign currency future options and 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 the Company under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Company. The Company'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

33.3 Financial Risk objective and policies (contd.)

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 profit and loss.

a) **Market risk**

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2017 and March 31, 2016.

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, 2017. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; 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, 2017 and March 31, 2016.

(i) **Interest rate risk**

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

Interest rate sensitivity

The following table 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, 2017 would decrease / increase by ₹39.49 crore (previous year ₹19.76 crore). 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. The Company manages its foreign currency risk by entering into currency swap for converting INR loan into other foreign currency for taking advantage of lower cost of borrowing in stable currency environment. The Company also enters into various foreign exchange contracts to mitigate the risk arising out of foreign exchange rate movement on foreign currency borrowings or trade payables. Further, to hedge foreign currency future transactions in respect of which firm commitment are made or which are highly probable forecast transactions (for instance, foreign exchange denominated income) the Company has entered into foreign currency forward contracts as per the policy of the Company.

Notes to the Financial Statements for the year ended March 31, 2017

33.3 Financial Risk objective and policies (contd.)

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

The above table represents total exposure of the Company towards foreign exchange denominated liabilities (net). The details of exposures hedged using forward exchange contracts are given as a part of Note 32(a) and the details of unhedged exposures are given as part of Note 32(b).

The Company is mainly exposed to changes in USD, EURO, AUD and JPY. 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.

Particulars	Impact on Profit before tax		Impact on Pre-tax Equity	
	For the year ended		For the year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
USD Sensitivity				
RUPEES / USD – Increase by 1%	(69.89)	(33.45)	(69.89)	(33.45)
RUPEES / USD – Decrease by 1%	69.89	33.45	69.89	33.45
EURO Sensitivity				
RUPEES / EURO – Increase by 1%	(0.08)	(0.46)	(0.08)	(0.46)
RUPEES / EURO – Decrease by 1%	0.08	0.46	0.08	0.46
JPY Sensitivity				
RUPEES / JPY – Increase by 1%	(0.03)	(0.02)	(0.03)	(0.02)
RUPEES / JPY – Decrease by 1%	0.03	0.02	0.03	0.02
AUD Sensitivity				
RUPEES / AUD – Increase by 1%	0.85	0.88	0.85	0.88
RUPEES / AUD – Decrease by 1%	(0.85)	(0.88)	(0.85)	(0.88)

* Figures being nullified on conversion to ₹ in crore.

(III) Equity price risk

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

The Company has given corporate guarantees and pledged part of its investment in equity in order to fulfil the collateral requirements of the subsidiaries and jointly controlled companies. The counterparties have an obligation to return the guarantees/ securities to the Company. There are no other significant terms and conditions associated with the use of collateral.

b) Credit risk

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

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

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

Notes to the Financial Statements for the year ended March 31, 2017

33.3 Financial Risk objective and policies (contd.)

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

Concentrations of Credit Risk form part of Credit Risk

Considering that the Company operates the port services and related infrastructure contiguous to Port at Mundra, the Company is significantly dependent on cargo from or to such large port user customer located at Mundra. Out of total revenue, the Company earns ₹2,102.22 crore of revenue during the year ended March 31, 2017 (previous year ₹1,692.66 crore) from such port users which constitute 66% (previous year 60%). Accounts receivable from such customer approximated ₹744.31 crore as at March 31, 2017 and ₹707.93 crore as at March 31, 2016. A loss of these customer could adversely affect the operating result or cash flow of the Company.

c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial 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 to ensure that there is sufficient cash to meet all its normal operating 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.

(₹ in crore)

Particulars	Refer Note	On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
As at March 31, 2017						
Borrowings (including the bills discounted)	14, 15 & 17	-	4,046.55	12,952.98	3,207.62	20,207.15
Trade Payables	18	-	258.26	-	-	258.26
Derivatives Instruments not designated as hedge	15	-	33.97	55.96	-	89.93
Financial Guarantees given	15	-	-	12.12	-	12.12
Other Financial Liabilities	15	-	512.89	3.31	6.24	522.44
Total		**-**	**4,851.67**	**13,024.37**	**3,213.86**	**21,089.90**
As at March 31, 2016						
Borrowings (including the bills discounted)	14, 15 & 17	-	5,640.73	9,451.75	795.30	15,887.78
Trade Payables	18	-	185.28	-	-	185.28
Derivatives Instruments not designated as hedge	15	-	11.01	63.72	-	74.73
Financial Guarantees given	15	-	-	21.31	-	21.31
Other Financial Liabilities	15	-	282.54	2.02	6.55	291.11
Total		**-**	**6,119.56**	**9,538.80**	**801.85**	**16,460.21**
As at April 01, 2015						
Borrowings (including the bills discounted)	14, 15 & 17	-	3,698.59	7,034.13	1,470.49	12,203.21
Trade Payables	18	-	187.81	-	-	187.81
Derivatives Instruments not designated as hedge	15	-	109.95	210.30	-	320.25
Financial Guarantees given	15	-	-	26.02	-	26.02
Other Financial Liabilities	15	-	173.03	1.51	6.70	181.24
Total		**-**	**4,169.38**	**7,271.96**	**1,477.19**	**12,918.53**

Notes to the Financial Statements for the year ended March 31, 2017

33.4 Capital management

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

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

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Total Borrowings (refer note 14,15 and 17)	20,207.15	15,887.78	12,203.21
Less: Cash and bank balance (refer note 11)	1,596.68	1,066.36	518.23
Net Debt (A)	**18,610.47**	**14,821.42**	**11,684.98**
Total Equity (B)	**16,864.85**	**13,565.81**	**11,275.53**
Total Equity and Net Debt (C = A + B)	**35,475.32**	**28,387.23**	**22,960.51**
Gearing ratio	52%	52%	51%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

34 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, 2017. 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.

(₹ in crore)

Sn	Particulars	March 31, 2017	March 31, 2016	April 01, 2015
i)	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.			
	Principal	0.52	0.36	0.30
	Interest	Nil	Nil	Nil
ii)	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil	Nil
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil	Nil
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil
v)	The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	Nil	Nil	Nil

Notes to the Financial Statements for the year ended March 31, 2017

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.

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
A. Project Costs	1,340.46	698.91	483.43
B. Capital Inventory (Including Goods in transit of ₹11.42 crore (previous year ₹30.68 crore))	117.62	157.69	179.76
C. Costs attributable to Construction Period :			
Personnel Expenses			
Salaries, Wages & Bonus	7.83	6.52	7.69
Contribution to Provident Fund	0.35	0.27	0.33
Sub Total	**8.18**	**6.79**	**8.02**
Administrative and Other Expenses			
Traveling and Conveyance	0.07	0.07	-
Legal and Professional Fees	0.11	0.10	-
Sub Total	**0.18**	**0.17**	**-**
Finance Cost			
Interest on Borrowings	10.74	9.13	-
Sub Total	**10.74**	**9.13**	**-**
Depreciation	73.35	61.52	76.06
Total Expenditure	**92.45**	**77.61**	**84.08**
Less -Interest Income on Bank Deposits	-	(4.51)	-
Total	**92.45**	**73.10**	**84.08**
Capitalized / allocation during the year	92.45	73.10	84.08
Balance Carried Forward Pending Allocation/ Capitalization	-	-	-
Total Capital Work In Progress (A + B + C) (refer note 3 (c))	**1,458.08**	**856.60**	**663.19**

Notes:

i) Project costs mainly includes costs incurred on development of Dredged Channel, Receipt and Dispatch Conveyor System (ARD) 8 & 9, LNG Terminal asset at Mundra.

ii) The rate used to determined the amount of borrowing costs eligible for capitalisation was ranging from 2.85% to 9.15%, which is the effective interest rate of the specific borrowing.

36 CAPITAL COMMITMENTS AND OTHER COMMITMENTS

Capital Commitments

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	291.39	893.68	818.83

Other Commitments

a) The port projects of subsidiary companies viz. Adani Hazira Port Private Limited, Adani Petronet (Dahej) Port Private Limited, Adani Murmugao Port Terminal Private Limited ("AMPTPL"), Adani Vizag Coal Terminal Private Limited, The Dhamra Port Company Limited ("DPCL") and jointly controlled entity Adani International Container Terminal Private Limited ("AICTPL") have been funded through various credit facility agreements with banks. Against the said facilities availed by the aforesaid entities from the banks, the Company has executed a Sponsor Undertaking and Pledge Agreements whereby 51% of the holding would be retained by the Company (In case of AICTPL jointly with the Joint Venture partner) at all points of

Notes to the Financial Statements for the year ended March 31, 2017

36 CAPITAL COMMITMENTS AND OTHER COMMITMENTS (contd.)

time. Further, the Company is also required to pledge 30% (26% from the date of commencement of the operation) of its shareholding in the respective entities. (In case of AICTPL, jointly with Joint Venture partner of which 12.98% share held by Joint Venture partner are yet to be pledged with bank).

The details of shareholding pledged by the Company is as follows :

Nature	% of Non disposal undertaking (Apart from pledged)			% of Share Pledged of the total shareholding of investee company		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Adani Petronet (Dahej) Port Private Limited	21%	21%	21%	30%	30%	30%
Adani Mormugao Port Terminal Private Limited	-	-	21%	-	-	11%
Adani Hazira Port Private Limited	21%	21%	21%	27%	27%	27%
Adani Vizag Coal Terminal Private Limited	-	21%	21%	-	26%	26%
Adani International Container Terminal Private Limited	21%	21%	21%	13%	13%	13%
The Dhamra Port Company Limited	21%	21%	21%	30%	30%	17%

b) Contract/ Commitment for purchase of certain supplies. Advance given ₹251.81 crore (previous year ₹300 crore)

c) The Company has, through its subsidiary Adani Kattupalli Port Private Limited (AKPPL), entered into an in principle agreement on November 01, 2015 for strategic acquisition of the Kattupalli Port in Tamil Nadu from L&T Shipbuilding Limited (LTSB) a subsidiary of Larsen & Toubro Limited. The transaction is subject to receiving the necessary government and regulatory approvals and the port business being demerged from LTSB. While awaiting all the necessary approvals, APSEZ through its subsidiary AKPPL has an arrangement to operate the Port w.e.f November 01, 2015 through AKPPL.

37 ASSETS HELD FOR SALE

The Board of Directors of the Company in their meeting held on February 14, 2017 has approved to transfer Maintenance Dredging Operations of the Company consisting of fleet of dredgers and relevant support facilities to Shanti Sagar International Dredging Private Limited, a wholly owned subsidiary. The Business Transfer Agreement has been entered between the parties on April 1, 2017 to transfer the following assets and liabilities of the Maintenance Dredging Operations to the subsidiary at a consideration of ₹96.00 crore:

(₹ in crore)

Sn	Particulars	Amount
a.	Project Assets (Property, Plant and Equipment)	93.12
b.	Inventories	1.80
c.	Trade receivables and other current assets	1.42
d.	Trade Payables	(0.34)
	Net Assets	**96.00**

Considering the management's consideration to transfer the aforesaid assets to its wholly owned subsidiary, the relevant property, plant and equipment of ₹93.12 crore has been classified as 'Asset Held for Sale' (refer note 8).

Notes to the Financial Statements for the year ended March 31, 2017

38 CONTINGENT LIABILITIES NOT PROVIDED FOR

(₹ in crore)

Sn	Particulars	March 31, 2017	March 31, 2016	April 01, 2015
a)	Corporate Guarantees given to banks and financial institutions against credit facilities availed by the subsidiaries and jointly controlled entities. Amount outstanding there against ₹814.65 crore (previous year ₹1,779.87 crore and April 01, 2015 ₹1,632.75 crore) During the year Jointly controlled entity has prepaid the loan of ₹758.29 crore, however, the release of corporate guarantee against said loan is pending as at year end and the amount is not included in the disclosure.	1,041.26	2,379.21	1,595.51
b)	Corporate Guarantee given to a bank for credit facility availed by erstwhile subsidiary company, Mundra Port Pty Limited, Australia read with note (n) below. (Amount outstanding there against ₹2,937.71 crore (previous year ₹3,001.35 crore and April 01, 2015 ₹3,043.75 crore)	(refer note (m))	(refer note (m))	(refer note (m))
c)	Bank Guarantees and Letter of Credit facilities availed by the subsidiaries and jointly controlled entities and other group company against credit facilities sanctioned to the Company.	1,875.36	963.96	487.21
d)	Bank Guarantees given to government authorities and banks (also includes DSRA bank guarantees given to bank on behalf of subsidiaries and erstwhile subsidiaries.)	141.96	52.74	129.01
e)	Civil suits filed by the Customers for recovery of damages against certain performance obligations. The said civil suits are currently pending with various Civil Courts in Gujarat. The management is reasonably confident that no liability will devolve on the Company in this regard and hence no provision is made in the books of accounts towards these suits.	0.94	0.94	0.94
f)	Show cause notices from the Custom Authorities against duty on port related cargo. The Company has given deposit of ₹0.05 crore (previous year ₹0.05 crore and April 01, 2015 ₹0.05 crore) against the demand. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognised in the books of accounts.	0.14	0.14	0.19
g)	Customs department notice for wrongly availing duty benefit exemption under DFCEC Scheme on import of equipment. The Company has filed its reply to the show cause notice with Deputy Commissioner of Customs, Mundra and Commissioner of Customs, Mumbai against order in original. The management is of view that no liability shall arise on the Company.	0.25	0.25	0.25
h)	Various show cause notices received from Commissioner/ Additional Commissioner/ Joint Commissioner/ Deputy Commissioner of Customs and Central Excise, Rajkot and Commissioner of Service Tax, Ahmedabad and appeals there of, for wrongly availing of Cenvat credit/ Service tax credit and Education Cess credit on input services and steel, cement and other misc. fixed assets during financial year 2006-07 to 2014-15. In similar matter, the Excise department has demanded recovery of the duty along with penalty and interest thereon. The Company has given deposit of ₹4.50 crore (previous year ₹4.50 crore and April 01, 2015 ₹4.50 crore) against the demand. These matters are pending before the Supreme Court, the High Court of Gujarat, Commissioner of Central Excise (Appeals), Rajkot and Commissioner of Service Tax, Ahmedabad. The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company. Further, during the previous year, the Company has received favourable order from High Court of Gujarat against demand in respect of dispute relating to financial year 2005-06 and favourable order from CESTAT against similar demand in respect of dispute relating to FY 2005-06 to FY 2010 -11 (up to Sept 2011).	24.78	20.07	111.80

Notes to the Financial Statements for the year ended March 31, 2017

38 CONTINGENT LIABILITIES NOT PROVIDED FOR (contd.)

(₹ in crore)

Sn	Particulars	March 31, 2017	March 31, 2016	April 01, 2015
i)	Show cause notices received from Commissioner of Customs and Central Excise, Rajkot and appeal thereof in respect of levy of service tax on various services provided by the Company and wrong availement of CENVAT credit by the Company during financial year 2009-10 to 2011-12. These matters are currently pending at High Court of Gujarat ₹6.72 crore (previous year ₹6.72 crore and April 01, 2015 ₹6.72 crore); and Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad ₹0.15 crore (previous year ₹0.15 crore and April 01, 2015 ₹0.15 crore) and Commissioner of Service Tax Ahmedabad ₹0.03 crore (previous year ₹0.03 crore and April 01 ,2015 ₹0.03 crore). The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company.	6.90	6.90	6.90
j)	Commissioner of Customs, Ahmedabad has demanded vide letter no.4/Comm./SIIB/2009 dated 25/11/2009 for recovery of penalty in connection with import of Air Craft which is owned by Karnavati Aviation Private Limited (Formerly Gujarat Adani Aviation Private Limited.), subsidiary of the Company. Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal against the demand order, the management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognized in the books of account.	2.00	2.00	2.00
k)	The Company's tax assessments is completed till assessment year 2013-14, pending appeals with Appellate Tribunal for Assessment Year 2009-10 to 2011-12 and CIT (Appeals) for Assessment Year 2012-13 and 2013-14. The Company has received a favourable order from Appellate Tribunal for assessment year 2008-09. The management is reasonably confident that no liability will devolve on the Company.	refer note (l) below	refer note (l) below	refer note (l) below
l)	The Company earns interest income on funds lent to various parties. The Company contends that such interest income are earned from existing and potential business associations and whereby concluded that such interest income has arisen from the Company's business activities and can be netted off with the interest expenditure which are incurred for business purposes while computing the deduction as per the provisions of section 80IAB of the Income Tax Act, 1961.The management represent that the Company's tax assessments is completed till assessment year 2013-14, pending appeals with Appellate Tribunal for Assessment Year 2009-10 to 2011-12 and CIT (Appeals) for Assessment Year 2012-13 and 2013-14. The Company has received a favourable order from Appellate Tribunal for assessment year 2008-09. Considering the representation of facts in the matter made by the Company, CIT (Appeals) order upholding the claims of the Company for the earlier years, and based on the expert's advice, the management does not expect the tax liabilities to crystallise on certain interest income earned during the subsequent financials years up to March 31, 2017 and accordingly, no provision is required for income tax on such income. Based on this, the Company has accounted higher MAT credit of ₹101.25 and ₹103.90 crore for year ended March 31, 2017 and year ended March 31, 2016, respectively. Aggregating higher MAT credit entitlement of ₹342.11 crore as at March 31, 2017 (previous year ended March 31, 2016 ₹240.86 crore) has been accounted in the books of the Company.			
m)	The Company had initiated and recorded the divestment of its entire equity holding in Adani Abbot Point Terminal Holdings Pty Limited ("AAPTHPL") and entire Redeemable Preference Shares holding in Mundra Port Pty Ltd ("MPPL") representing Australia Abbot Point Port operations to Abbot Point Port Holdings Pte Ltd, Singapore during the year ended March 31, 2013. The sale of securities transaction was recorded as per Share Purchase Agreement ('SPA') entered on March 30, 2013 including subsequent amendments thereto, with a condition to have regulatory and lenders approvals. The Company has all the approvals except in respect of approval from one of the lenders who has given specific line of credit to MPPL. The Company received entire sale consideration except AUD 17.17 Million as on reporting date. The Company also has outstanding corporate guarantee to a lender of USD 800 million against line of credit to MPPL, which is still outstanding and has also pledged its entire equity holding of 1,000 equity shares of AUD 1 each in MPPL at the reporting date in favour of lender. Outstanding loan against said corporate guarantee as on March 31, 2017 is USD 453.00 million (previous year USD 453 million). Since financial year 2013-14, the Company has received corporate guarantee ('Deed of Indemnity') against above outstanding corporate guarantee from Abbot Point Port Holding Pte Limited, Singapore which is effective till discharge of underlying liability.			

Notes to the Financial Statements for the year ended March 31, 2017

39 The following are the details of loans and advances in the nature of loans given to subsidiaries, associates and other entities in which directors are interested in terms of regulation 53 (F) read together with para A of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(₹ in crore)

SN	Particulars	Outstanding amount as at			Maximum amount outstanding during the year	
		March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016
(i)	Adani Logistics Limited	302.78	1,572.27	1,313.88	2,174.49	1,604.89
(ii)	Adani Kandla Bulk Terminal Private Limited	1,139.46	1,063.14	927.72	1,153.71	1,118.32
(iii)	The Dhamra Port Company Limited	777.80	480.82	875.85	960.71	1,369.34
(iv)	Adani Petronet (Dahej) Port Private Limited	504.73	513.45	9.60	564.44	536.83
(v)	Adani Murmugao Port Terminal Private Limited	416.75	407.38	204.33	418.12	407.38
(vi)	Adani Ennore Container Terminal Private Limited	483.44	401.02	52.81	483.44	401.02
(vii)	Adani Hazira Port Private Limited	1,942.10	320.46	278.01	2,253.84	543.21
(viii)	Adani Vizag Coal Terminal Private Limited	290.08	268.87	65.01	290.08	270.35
(ix)	Karnavati Aviation Private Limited	183.79	140.69	119.86	184.42	169.55
(x)	Adani Kattupalli Port Private Limited	104.20	90.90	-	119.20	90.90
(xi)	Shanti Sagar International Dredging Private Limited	-	46.29	-	46.49	46.29
(xii)	Mundra SEZ Textile and Apparel Park Private Limited	31.05	28.99	24.59	32.75	29.20
(xiii)	Adani Vizhinjam Port Private Limited	571.11	26.95	-	571.11	26.95
(xiv)	Mundra International Airport Private Limited	5.54	6.67	7.83	6.87	8.80
(xv)	Adani Hospitals Mundra Private Limited	3.15	3.94	3.49	4.09	4.27
(xvi)	MPSEZ Utilities Private Limited	1.60	-	0.12	2.50	7.10
(xvii)	Adani Dhamra LNG Terminal Private Limited	0.55	-	-	0.55	-
(xviii)	Adani Mundra LPG Terminal Private Limited	14.95	-	-	14.95	-
(xix)	Adani Petroleum Terminal Private Limited	87.50	-	-	87.50	-
(xx)	Adani Warehousing Services Private Limited	0.01	-	-	0.01	-
(xxi)	Abbot Point Operations Pty Ltd	88.40	-	-	101.67	-
(xxii)	Adani CMA Mundra Container Terminal Private Limited	7.22	-	-	7.22	-
(xxiii)	Adani International Container Terminal Private Limited	786.42	-	84.00	786.42	84.00
(xxiv)	Adani Agri Fresh Limited	-	1,031.40	1,064.88	1,034.40	1,064.88
(xxv)	Mundra Solar Technopark Private Limited	-	323.98	-	389.55	324.09
(xxvi)	Dholera Infrastructure Private Limited	4.04	3.57	7.56	4.80	8.89
(xxvii)	Dholera Port & Special Economic Zone Limited	3.83	4.10	-	4.11	4.10
(xxviii)	Maharashtra Eastern Grid Power Transmission Private Limited	-	-	-	-	427.00
(xxix)	Adani Enterprises Limited	-	-	-	595.00	175.00

Note - All loans are given on interest bearing except loan to Adani Logistics Limited (part of the loan), The Dhamra Port Company Limited (part of loan), Dholera Infrastructure Private Limited, Dholera Port & Special Economic Zone Limited. Karnavati Aviation Private Limited, Adani Hospitals Mundra Private Limited.

Notes to the Financial Statements for the year ended March 31, 2017

40 a) Disclosure Significant interest in subsidiaries and jointly controlled entities as per Ind AS 27 para 17.

Sn	Name of Entities	Relationship	Place of Business	Ownership %
(i)	Adani Logistics Limited	Subsidiary	India	100
(ii)	Karnavati Aviation Private Limited	Subsidiary	India	100
(iii)	MPSEZ Utilities Private Limited	Subsidiary	India	100
(iv)	Mundra SEZ Textile and Apparel Park Private Limited	Subsidiary	India	57
(v)	Adani Murmugao Port Terminal Private Limited	Subsidiary	India	100*
(vi)	Mundra International Airport Private Limited	Subsidiary	India	100
(vii)	Adani Hazira Port Private Limited	Subsidiary	India	100
(viii)	Adani Petronet (Dahej) Port Private Limited	Subsidiary	India	74
(ix)	Mundra LPG Infrastructure Pvt. Ltd (formerly known as Hazira Road Infrastructure Pvt. Ltd.)	Subsidiary	India	100
(x)	Adani Vizag Coal Terminal Private Limited	Subsidiary	India	100
(xi)	Adani Kandla Bulk Terminal Private Limited	Subsidiary	India	100*
(xii)	Adani Warehousing Services Private Limited	Subsidiary	India	100
(xiii)	Adani Ennore Container Terminal Private Limited	Subsidiary	India	100
(xiv)	Adani Hospitals Mundra Private Limited	Subsidiary	India	100
(xv)	The Dhamra Port Company Limited	Subsidiary	India	100
(xvi)	Shanti Sagar International Dredging Pvt. Ltd. (formerly known as Adani Food and Agro Processing Park Private Limited)	Subsidiary	India	100
(xvii)	Abbot Point Operations Pty Limited	Subsidiary	Australia	100
(xviii)	Adani Vizhinjam Port Private Limited	Subsidiary	India	100
(xix)	Adani Kattupalli Port Private Limited	Subsidiary	India	100
(xx)	Adani Petroleum Terminal Private Limited	Subsidiary	India	100
(xxi)	Adani Harbour Services Private Limited (formerly known as T M Harbour Services Private Limited)	Subsidiary	India	100
(xxii)	Dholera Infrastructure Private Limited	Subsidiary	India	49
(xxiii)	Adinath Polyfills Private Limited (Acquisition of Controlling Interest in Equity Shares of Company)	Subsidiary	India	100
(xxiv)	Adani International Container Terminal Private Limited	Jointly controlled Entities	India	50
(xxv)	Adani CMA Mundra Terminal Private Limited		India	50

* Includes beneficial ownership of 26% of equity interest in aforesaid subsidiaries (refer note 4(d)).

Note- Method of accounting of investment in Subsidiaries and Jointly controlled entities are at amortised cost.

Notes to the Financial Statements for the year ended March 31, 2017

40 (contd.)

b) Interest in jointly controlled entities

(₹ in crore)

Particulars	Adani CMA Mundra Terminal Private Limited			Adani International Container Terminal Private Limited		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Share Capital and Reserve & Surplus	22.64	32.06	31.29	274.16	247.22	262.48
Non-Current liabilities	204.30	-	-	809.99	557.27	521.86
Current Liabilities	104.45	205.65	0.28	107.25	295.88	335.47
Non-Current Assets	330.09	226.34	-	1,101.86	1,081.19	1,105.14
Current Assets	1.30	11.37	31.57	89.53	19.18	14.68
Revenue	3.26	1.26		263.55	218.40	
Operating Expenses	-	-		(53.10)	(48.92)	
Terminal Royalty Expenses	-	-		(43.73)	(39.30)	
Employee Benefit Expenses	-	-		(3.25)	(2.98)	
Depreciation Expenses	(9.92)	-		(59.14)	(58.87)	
Other Expenses	(0.20)	(0.07)		(6.21)	(5.22)	
Finance Charges	(2.55)	(0.03)		(29.32)	(48.99)	
Profit / (Loss) Before Tax	**(9.41)**	**1.16**		**68.80**	**14.12**	
Income-Tax Expense		(0.39)		(41.93)	(29.39)	
Profit / (Loss) After Tax	**(9.41)**	**0.77**		**26.87**	**(15.27)**	
Capital and other commitments	771.28	-		1,101.08	1,202.59	
Contingent liability not accounted for	-	-		5.24	-	

41 a) The Company has entered into preliminary agreement with one of the party for development and maintenance of Liquefied Natural Gas (LNG) terminal infrastructure facilities at Mundra (Mundra LNG Project) vide agreement dated September 30, 2014. The Company had during the quarter ended September 30, 2014, recognised project service revenue of ₹200 crore pending conclusion of definitive agreement towards land reclamation based on the activities completed. Based on the agreement the Company and the party are still in the process of concluding a definitive agreement for Mundra LNG Project relating to development and lease of infrastructure facilities (including lease of land) although land is being made available to the party for setting up the project facilities. The possible adjustments, if any, on execution of definitive agreement will be accounted later although the management does not expect any further adjustments in the books and further, the implementation of Mundra LNG project is progressing as on reporting date.

b) As at March 31, 2017, the Company has spent ₹274.00 crores (previous year ₹222.36 crore) towards development of Port Infrastructure Facilities to support LNG Project at Mundra. Based on broader understanding as per Preliminary agreement between the Company and the party, the Company expects to sale / lease these infrastructure facilities once definitive agreement for Mundra LNG Project is concluded.

c) As at March 31, 2017, the Company has spent cost of ₹1,062.33 crores (previous year ₹493.00 crore) towards development of Container Infrastructure Facilities for subsequent to sale / lease to jointly controlled entities Adani International Container Terminal Private Limited and Adani CMA Mundra Terminal Private Limited in terms of arrangement with these jointly controlled entities. The Company expects to sale / lease these infrastructure facilities once necessary approvals from concerned government authorities are received.

Notes to the Financial Statements for the year ended March 31, 2017

42 a) During the year, the Board of Directors of the Company has approved the scheme of arrangement entered between the Company and its subsidiary, The Adani Harbour Services Private Limited (TAHSPL) whereby it is proposed to transfer Marine Business Operation having net assets value of ₹397.16 crores (excluding borrowings of ₹111.21 crore) to TAHSPL at a consideration of ₹200 crores (as adjusted by loans and interest accrued thereon, if any) based on the fair valuation report taken by the Company from the external experts. The Scheme is subject to the approval of creditors, shareholders and National Company Law Tribunal ('NCLT'). Pending aforesaid approvals, the Company has not taken effect of the draft scheme in financial results for year ended March 31, 2017.

b) During the year ended March 31, 2016, the Company had given effect of composite scheme of arrangement w.e.f. April 01, 2015 as per sanction of Honorable High Court of Gujarat and filing of scheme with Registrar of Companies. In accordance with the terms of the scheme of arrangement, the Company has issued new equity shares to the equity shareholders of Adani Enterprises Limited ("AEL") in the ratio of 14,123 equity shares having face value of ₹2 each for every 10,000 equity shares with a face value of ₹1 held by each of the equity shareholders of AEL on June 08, 2015 and accordingly the equity shares held by AEL in the Company were cancelled pursuant to the scheme. Also the Company recorded the assets and liabilities of the Port Undertaking of AEL, transferred to and vested in the Company pursuant to this Scheme, at values appearing in the books of account of AEL as on the Appointed Date. The excess of the Net Assets Value of the Port Undertaking, transferred and recorded by the Company over the face value of the new equity shares allotted amounting to ₹26.80 Crore has been credited to General Reserve Account of the Company as per the directions mentioned in the court scheme.

43 DISCLOSURE OF SPECIFIED BANK NOTE

Schedule III of the Companies Act, 2013 was amended by Ministry of Corporate Affairs vide Notification G.S.R. 308(E) dated 30th March, 2017. The said amendment requires the Company to disclose the details of Specified Bank Notes ("SBNs") held and transacted during the period from November 08, 2016 to December 30, 2016. For the purpose of this clause, the term 'Specific Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8th November, 2016.

Details of Specified Bank Notes held and transacted during the period from November 08, 2016 to December 30, 2016 are as follows:

(₹ in crore)

Particulars	SBNs	Other Denomination notes	Total
Closing cash on hand as on November 08, 2016	**0.02**	**0.01**	**0.03**
(+) Permitted receipts (including Others as per note below)	0.42	2.39	2.81
(-) Permitted payments	-	-	-
(-) Amount deposited in banks	0.44	2.38	2.82
Closing cash on hand as on December 30, 2016	**-**	**0.02**	**0.02**

Note:

As per the management, other receipts of SBNs were collected at port premises which is in nature of infrastructure utilities like toll collection, railways and airport, etc. and thus, to ensure smooth flow of cargo, the Company has collected fees as part of normal Port services business operations from the truck operators which were already there at the port premises during initial few days after November 08, 2016. The Company has also represented to Income Tax Authorities that collection of ₹0.42 crores from truck operators were collected due to difficulties faced in running the business and were unavoidable. On the basis of above explanation, the Company, supported by an independent legal opinion that port services is a public utility services, is of the considered view that its decision to collect such SBNs in terms of notification no. S.O. 3407(E) dated November 08, 2016 issued by the Ministry of Finance and information disclosed above is as per the normal operations of the Port business. Thus SBNs received are as per the circular/ disclosure format issued by Ministry of Corporate Affairs vide notification no. G.S.R. 308(E) dated March 30, 2017.

Notes to the Financial Statements for the year ended March 31, 2017

44 FIRST-TIME ADOPTION OF IND-AS

These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS . For periods up to and including the year ended 31 March 2016, the Company prepared its annual financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for the year ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. These note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2015, the Company's date of transition to Ind AS and financial statements as at and for the year ended March 31, 2016.

44.1 Exemptions availed on the first time adoption of Ind AS 101

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following Ind AS 101 exemptions from the transition date i.e. April 01, 2015 :

a) The Company has elected to avail exemption under Ind AS 101 to use India GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment and intangible assets as per the statement of financial position prepared in accordance with previous GAAP.

b) The Company has designated unquoted equity instruments other than investments in subsidiaries and jointly controlled entities held at April 01, 2015 as fair value through OCI investments.

   The Company has elected to measure investments in subsidiaries, associates and jointly controlled entities as per the statement of financial position prepared in accordance with previous GAAP as a deemed cost at the date of transition as per exemption available under Ind AS 101.

   Interest in the subsidiaries and joint venture entities through fair valuation of loan transaction and financial guarantees at initial recognition on transition date had been accounted as investments in accordance with Ind AS 109 in the interim financial statements during the year. However, in its first Ind AS financial statements, the Company has accounted such interest on account of fair valuation of interest free loans and financial guarantees on transition date to the retained earnings.

c) The Company has elected to avail exemption under Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding and recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

d) Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, The Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

e) Estimates :
   The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

   -FVTOCI – unquoted equity shares

   - Impairment of financial assets based on the risk exposure and application of ECL model.

   The estimates used by The Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of March 31, 2016.

f) Fair value measurement of financial assets or liabilities
   The Company has applied provision of Ind AS 109 for financial assets or liabilities measured at fair value prospectively to transactions occurring on or after date of transition to Ind AS.

Notes to the Financial Statements for the year ended March 31, 2017

44.2 The Company's management had previously issued its audited financial results for the year ended March 31, 2016 on May 03, 2016, that were all prepared in accordance with the recognition and measurement principles of the Companies (Accounting Standards) Rules, 2006 prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and other accounting principles generally accepted in India ('Previous GAAP'). The Company's management has now prepared the Ind AS Financial Statements for the year ended March 31, 2017 in accordance with the recognition and measurement principles laid down by the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Para 7 of the Companies (Accounts) Rule, 2015 as amended and other accounting principles generally accepted in India.

The Company has prepared a reconciliation of the amounts of net profit as reported under the Previous GAAP to those computed as per Ind AS and the same is given in note no. 44.3 and 44.4.1 below. The Company has also prepared a reconciliation of the amounts of total equity as reported under the Previous GAAP to those computed as per Ind AS and the same is given in note no. 44.3 and 44.4.2 below.

44.3 Reconciliation of equity as at April 01, 2015 and March 31, 2016

(₹ in crore)

Particulars	Foot Note	March 31, 2016 (Last period presented under IGAAP)			April 01, 2015 (Date of transition)		
		IGAAP	Adjustment	Ind AS	IGAAP	Adjustment	Ind AS
Assets							
Non-current assets							
Property, plant and equipment	d	8,465.07	1.10	8,466.17	8,404.07	1.29	8,405.36
Capital work in progress		856.60	-	856.60	663.19	-	663.19
Goodwill	c	-	44.86	44.86	-	44.86	44.86
Other Intangible assets	c	54.55	(42.01)	12.54	57.85	(44.88)	12.97
Financial assets							
Investments	f	4,988.98	195.79	5,184.77	4,762.28	127.05	4,889.33
Trade receivables		5.36	-	5.36	424.42	-	424.42
Loans	b	10,280.76	(3,745.84)	6,534.92	5,033.99	(2,269.11)	2,764.88
Other financial assets	b	-	1,843.84	1,843.84	-	607.73	607.73
Deferred tax assets (net)	i	-	1,255.75	1,255.75	-	776.59	776.59
Other non financial assets	b	1,317.31	(312.73)	1,004.58	478.21	(108.96)	369.25
		25,968.63	**(759.24)**	**25,209.39**	**19,824.01**	**(865.43)**	**18,958.58**
Current assets							
Inventories		124.82	-	124.82	179.46	-	179.46
Financial assets							
Investments	b	128.00	0.10	128.10	202.87	0.01	202.88
Trade receivables		1,181.26	-	1,181.26	748.98	-	748.98
Customers bill discounted	b		379.79	379.79	-	449.67	449.67
Cash and cash equivalents		699.87	-	699.87	443.01	-	443.01
Bank balances other than above		237.75	-	237.75	52.82	-	52.82
Loans	b	2,572.68	(473.34)	2,099.34	3,690.65	(140.33)	3,550.32
Other financial assets	b	-	432.87	432.87	-	410.85	410.85
Other current non assets	b	660.33	(24.31)	636.02	665.30	(307.88)	357.42
		5,604.71	**315.11**	**5,919.82**	**5,983.09**	**412.32**	**6,395.41**
Total Assets		**31,573.34**	**(444.13)**	**31,129.21**	**25,807.10**	**(453.11)**	**25,353.99**
Equity and liabilities							
Equity							
Equity share capital	e	417.00	(2.81)	414.19	416.82	(2.81)	414.01
Other equity	refer note 44.4.2	13,211.38	(59.76)	13,151.62	10,786.34	75.18	10,861.52
Total equity		**13,628.38**	**(62.57)**	**13,565.81**	**11,203.16**	**72.37**	**11,275.53**

Notes to the Financial Statements for the year ended March 31, 2017

(₹ in crore)

Particulars	Foot Note	March 31, 2016 (Last period presented under IGAAP)			April 01, 2015 (Date of transition)		
		IGAAP	Adjustment	Ind AS	IGAAP	Adjustment	Ind AS
Non-current liabilities							
Financial liabilities							
Borrowings	b	10,188.14	58.91	10,247.05	8,499.11	5.52	8,504.63
Long Term provision	b	63.72	(63.72)	-	210.70	(210.70)	-
Deferred Tax Liabilities	b	782.13	(782.13)	-	716.50	(716.50)	-
Other financial liabilities	i	-	93.60	93.60	-	244.53	244.53
Other non-current liabilities	b	741.93	(7.67)	734.26	831.57	(7.06)	824.51
		11,775.92	**(701.01)**	**11,074.91**	**10,257.88**	**(684.21)**	**9,573.67**
Current liabilities							
Financial liabilities							
Borrowings	b	3,194.16	(60.35)	3,133.81	1,304.88	(16.87)	1,288.01
Customers bill discounted	b	-	379.79	379.79	-	449.67	449.67
Trade and other payables		185.28	-	185.28	187.81	-	187.81
Other financial liabilities	b	-	2,420.68	2,420.68	-	2,243.88	2,243.88
Provisions		82.52	(31.30)	51.22	457.04	(419.10)	37.94
Liabilities for current tax		-	26.01	26.01	-	38.76	38.76
Other current liabilities	b	2,707.08	(2,415.38)	291.70	2,396.33	(2,137.61)	258.72
		6,169.04	**319.45**	**6,488.49**	**4,346.06**	**158.73**	**4,504.79**
Total liabilities		**17,944.96**	**(381.56)**	**17,563.40**	**14,603.94**	**(525.48)**	**14,078.46**
Total Equity and Liabilities		**31,573.34**	**(444.13)**	**31,129.21**	**25,807.10**	**(453.11)**	**25,353.99**

Reconciliation of Statement of Profit and Loss for year ended March 31, 2016

(₹ in crore)

Particulars	Foot Note	March 31, 2016		
		IGAAP	Adjustment	Ind AS
Income				
Revenue from operations		4,630.75	(11.58)	4,619.17
Other income	b and d	973.03	199.74	1,172.77
Total Income		**5,603.78**	**188.16**	**5,791.94**
Expenses				
Operating expenses		816.33	-	816.33
Employee benefits expense	a	180.39	(1.47)	178.92
Depreciation and amortization expense	c and d	521.93	(2.61)	519.32
Finance costs	b and f	822.10	32.35	854.45
Other expenses	b	339.30	(22.65)	316.65
Total Expenses		**2,680.05**	**5.62**	**2,685.67**
Profit before tax		**2,923.73**	**182.54**	**3,106.27**
Tax expense:				
Current tax		624.34	-	624.34
Deferred tax	i	65.63	59.62	125.25
Less: Tax (credit) under MAT		(607.82)	-	(607.82)
Income tax expense		**82.15**	**59.62**	**141.77**
Profit for the Period		**2,841.58**	**122.92**	**2,964.50**
Other Comprehensive Income				
Re-measurement gains/ (losses) on defined benefit plans	a, f and h	-	(0.96)	(0.96)
Net Gains on FVTOCI Equity Investments		-	17.56	17.56
Other Comprehensive Income for the year		**-**	**16.60**	**16.60**
Total Comprehensive Income for the year		**2,841.58**	**139.52**	**2,981.10**

Notes to the Financial Statements for the year ended March 31, 2017

44.4 Reconciliation of total comprehensive income between previously reported (referred to as "Previous GAAP") and Ind AS for the year ended March 31, 2016 is presented as under : -

44.4.1 Reconciliation of Total Comprehensive Income:-

(₹ in crore)

Nature of Adjustments	Year Ended March 31, 2016
Net Profit as per Previous GAAP	**2841.58**
i) Remeasurement cost of net defined benefit liability (refer note (a) below)	1.47
ii) Net gain/(loss) on financial assets / liabilities fair valued through statement of profit and loss (refer note (b) below)	178.16
iii) Reversal of Amortisation of Goodwill (refer note (c) below)	2.81
iv) Measurement of Grant as Deferred Income (refer note (d) below)	0.10
v) Deferred tax impact on above adjustments (refer note (i) below)	(41.26)
Total	**141.28**
Net profit before OCI as per Ind AS	**2964.50**
Other comprehensive Income (net of tax)	16.60
Total comprehensive income as per Ind AS	**2981.10**

44.4.2 Reconciliation of Equity

(₹ in crore)

Nature of Adjustments	As on April 01, 2015	Year Ended March 31, 2016
Equity as per Previous GAAP	11,203.16	13,628.38
Add:		
i) Fair Valuation of ICD and other financial assets and liabilities (refer note (b) below & note 44.1 (b) above)	(165.96)	(43.04)
ii) Reversal of Amortisation of Goodwill (refer note (c) below)	-	2.81
iii) Classification of preference shares as Compound instrument (refer note (e) below)	(143.59)	(147.76)
iv) Fair Valuation of equity instruments (refer note (f) below)	107.86	125.42
v) Reversal of Proposed Dividend and Tax thereon (refer note (g) below)	274.06	-
Total adjustments	**72.37**	**(62.57)**
Equity as per Ind AS attributable to Equity Shareholders of the Company	**11,275.53**	**13,565.81**

Explanatory Notes to the transition from previous GAAP to Ind AS :

a) Re-measurement cost of net defined liability: Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, 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 are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

b) Classification and fair value measurement of Financial Assets and Financial Liabilities: The Company has assessed the classification and fair valuation impact of financial assets and liabilities under Ind AS 32 / Ind AS 109 on the basis of the facts and circumstances at the transition date. Impact of fair value changes as on date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss Account or Other Comprehensive Income, as the case may be.

   Customers bills discounted has been recognised as financial assets and liabilities as the Company has retain substantially all risks and rewards of ownership of the transferred assets based on arrangements with the bankers and the customers.

Notes to the Financial Statements for the year ended March 31, 2017

Borrowings (part of Financial Liabilities) - Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability measured at amortised cost and charged to Statement of Profit and Loss using the Effective Interest Rate (EIR) method.

c) Goodwill: The goodwill recognised on amalgamation transaction in earlier years was amortised under previous GAAP however the same has been recognised at previous GAAP carrying value on transition date in accordance with Ind AS 101 transition provisions. Goodwill amount has been reinstated and reversal of amortisation is added back in Statement of Profit and Loss.

d) Measurement of Government Grant as Deferred Income: The government grant related to Property, Plant and Equipment was netted off with the cost under the previous GAAP. The same is accounted as cost of the property, plant and equipment with correspondingly deferred income under Ind-AS.

e) Classification of Preference Shares as Compound Instrument: The Company has outstanding non-convertible redeemable preference shares. The preference shares carry fixed dividend which is non-discretionary. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit. Under Ind AS, non-convertible preference shares are separated into liability and equity components based on the terms of the contract. Interest on liability component is recognised using the effective interest method.

f) Investment Valuation: Under Indian GAAP, the Company accounted for long term investments in unquoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company's investments in other than subsidiaries, associates and jointly controlled entities are fair valued as FVTOCI investments. The fair value impact at the date of transition to Ind AS and in comparative previous year are adjusted in carrying value of investments under Indian GAAP with impact in the FVTOCI reserve, net of related deferred taxes.

Investments are also adjusted on account of interest arising in the subsidiaries in the comparative previous year due to fair valuation of loan transaction in accordance with Ind AS 109.

g) Reversal of Proposed Dividend and Tax thereon: Under Indian GAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.

In the case of the Company, the declaration of final dividend occurs after period end. Therefore, the liability for the year ended on March 31, 2015 recorded for dividend has been derecognised against retained earnings on April 01, 2015 and the same liability was recognised in the financial year 2015-16.

h) Other comprehensive income: Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP Statement of Profit and Loss to Statement of Profit and Loss as per Ind AS. Further, Indian GAAP Statement of Profit and Loss is reconciled to total comprehensive income as per Ind AS.

i) Deferred Tax Adjustments: Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recongnised in co relation to the underlying transaction either in retained earnings or a separate component of equity. Further, tax credits in the form of minimum alternate tax credit entitlement is classified as differed tax under Ind AS.

j) Statement of cash flows: The transition from Indian GAAP to Ind AS does not have material impact on the statement of cash flows.

Notes to the Financial Statements for the year ended March 31, 2017

45 EXPOSURE DRAFTS AND ACCOUNTING STANDARDS NOT YET NOTIFIED

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 the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

(a) Amendments to Ind AS 7, Statement of Cash Flows: The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after April 01, 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

(b) Amendments to Ind AS 102, Share-based Payment: The MCA has issued amendments to Ind AS 102 that address three main areas

   i) the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction,

   ii) the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and

   iii) accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after April 01, 2017.

These amendments does not have material impact on Company's financial statements. The Company will adopt these amendments from their applicability date.

46 EVENT OCCURRED AFTER THE BALANCE SHEET DATE

a) The Board of Directors has recommended Equity dividend of ₹1.30 per share for the financial year 2016-17. (refer note 12(a)(ii)).

b) On April 24 & 25, 2017 the Company has received approval from National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) regarding the Draft Scheme of Arrangement between the Company and its subsidiary. Further, on May 18, 2017 the Company has also received standing instruction from 'National Company Law Tribunal ('NCLT') to hold meeting of its shareholders and creditors regarding the Draft Scheme of Arrangement (also refer note 42(a))

c) Subsequent to year ended March 31, 2017 the Company has incorporated Mundra International Gateway Terminal Private Limited as wholly owned subsidiary on May 17, 2017.

As per our report of even date.

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

per **Arpit K. Patel**
Partner
Membership No. 34032

Place : Ahmedabad
Date: May 24, 2017

For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]
DIN : 00006273

Rajesh S. Adani
[Director]
DIN : 00006322

Dr. Malay Mahadevia
[Wholetime Director]
DIN : 00064110

B Ravi
[Chief Financial Officer]

Place : Ahmedabad
Date: May 24, 2017

Dipti Shah
[Company Secretary]

Consolidated Financial Statements

Independent Auditor's Report

To the Members of
Adani Ports and Special Economic Zone Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Adani Ports and Special Economic Zone Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entities, comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its jointly controlled entities in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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 consolidated state of affairs of the

Group and its jointly controlled entities as at March 31, 2017, their consolidated profit including other comprehensive income, and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to:

(a) Note 38(u) of the accompanying consolidated Ind AS financial statements regarding recognition of Minimum Alternate Tax ('MAT') credit entitlement in respect of certain interest income based on the consideration that the Company would be able to claim tax holiday benefits on the same, as per provisions of section 80IAB of the Income Tax Act, 1961, more fully described in the said note.

(b) Note 42(a) of the accompanying consolidated Ind AS financial statements regarding the basis of recognition of certain projects service revenue during the earlier year, as more fully described in the said note.

(c) Note 43(a) of the accompanying consolidated Ind AS financial statements which indicates that one of the subsidiary company has accumulated losses and its net worth has been eroded, the subsidiary company has incurred a net cash loss during the current year and previous year. These conditions along with other matters set forth in Note 43(a), indicate the existence of material uncertainty that may impact the subsidiary company's ability to continue as a going concern. However, the financial statements of the subsidiary company have been prepared on going concern basis for the reasons stated in the said Note.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon, 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 of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

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

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and jointly controlled entities incorporated in India, none of the directors of the Group's companies and its jointly controlled entities incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, jointly controlled entities incorporated in India, refer to our separate report in "Annexure 1" 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and jointly controlled entities, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its jointly controlled entities – Refer Note 38 to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 15 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group and its jointly controlled entities and (b) the Group's share of net profit in respect of its jointly controlled entities;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and jointly controlled entities incorporated in India during the year ended March 31, 2017.

iv. The Holding Company, subsidiaries and its jointly controlled entities incorporated in India, have provided requisite disclosures in Note 46 to these consolidated Ind AS financial statements as to the holdings of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on the audit procedure performed and the representation provided to us by the management we report that the disclosures are in accordance with the books of accounts maintained by the Holding Company, subsidiaries and its jointly controlled entities incorporated in India more so described in Note 46.

Other Matter

We did not audit the financial statements and other financial information, in respect of 18 subsidiaries, whose Ind AS financial statements include total assets of ₹9,103.03 crores and net assets of ₹1,579.99 crores as at March 31, 2017, and total revenues of ₹2,568.90 crores and net cash outflows/(inflows) of ₹294.17 crores for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our above opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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

per **Arpit K Patel**
Partner
Membership Number: 34032

Place of Signature: Ahmedabad
Date: May 24, 2017

Annexure 1 to the Independent Auditor's Report of Even Date on the Consolidated Ind AS Financial Statements of Adani Ports And Special Economic Zone Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of Adani Ports and Special Economic Zone Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Adani Ports and Special Economic Zone Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and its jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 respective 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 Act.

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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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 Holding Company, its subsidiary companies and jointly controlled companies, which are companies incorporated in India, have, maintained 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, 2017, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these 17 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

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

per **Arpit K Patel**
Partner
Membership Number: 34032

Place of Signature: Ahmedabad
Date: May 24, 2017

Consolidated Balance Sheet at March 31, 2017

(₹ in crore)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	3	16,569.26	16,466.60	15,950.85
Capital Work in Progress	3	4,513.97	1,966.76	1,086.93
Goodwill	3	2,670.39	2,644.58	2,646.86
Other Intangible Assets	3	1,813.85	1,772.04	1,757.33
Financial Assets				
(i) Investments	4	252.33	408.50	229.54
(ii) Trade Receivables	5	13.63	22.00	438.86
(iii) Loans	6	-	2,913.94	51.14
(iv) Loans - Jointly Controlled Entities	6	759.32	-	-
(v) Other Financial Assets	7	840.79	2,139.37	603.22
Deferred Tax Assets (net)	26	1,991.56	1,422.66	876.30
Other Non-Current Assets	8	2,252.56	1,789.70	726.19
		31,677.66	**31,546.15**	**24,367.22**
Current Assets				
Inventories	9	657.09	211.89	256.85
Financial Assets				
(i) Investments	10	909.03	136.68	202.88
(ii) Trade Receivables	5	1,964.76	1,936.58	1,316.20
(iii) Customers' bills discounted	5	728.23	499.51	449.67
(iv) Cash and Cash Equivalents	11	951.03	843.00	445.23
(v) Bank Balances other than (iv) above	11	1,025.77	435.24	148.29
(vi) Loans	6	1,748.30	1,567.85	3,407.16
(vii) Loans - Jointly Controlled Entities	6	34.32	-	84.00
(viii) Other Financial Assets	7	1,006.62	599.96	361.01
(ix) Advance paid for Acquisition	37(c)	1,450.00	-	-
Other Current Assets	8	1,432.27	829.13	551.53
		11,907.42	**7,059.84**	**7,222.82**
Total Assets		**43,585.08**	**38,605.99**	**31,590.04**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	12	414.19	414.19	414.01
Other Equity	13	17,111.79	13,091.30	10,866.47
Total Equity attributable to Equity holders of the parent		**17,525.98**	**13,505.49**	**11,280.48**
Non-Controlling Interests		139.24	123.96	138.80
Total Equity		**17,665.22**	**13,629.45**	**11,419.28**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	14	17,993.24	15,819.67	13,321.94
(ii) Other Financial Liabilities	15	93.03	99.35	324.05
Provisions	19	11.01	4.80	4.00
Deferred tax liabilities (net)	26	215.71	221.14	118.86
Other Non-Current Liabilities	16	1,050.96	934.45	1,039.29
		19,363.95	**17,079.41**	**14,808.14**
Current Liabilities				
Financial Liabilities				
(i) Borrowings	17	2,533.89	3,133.81	1,288.68
(ii) Customers Bill Discounted	17	728.23	499.51	449.67
(iii) Trade and Other Payables	18	493.72	403.29	355.68
(iv) Other Financial Liabilities	15	1,997.66	3,467.81	2,874.64
Provisions	19	87.22	61.00	40.54
Liabilities for Current Tax (net)	26	193.91	30.96	43.04
Other Current Liabilities	16	521.28	300.75	310.37
		6,555.91	**7,897.13**	**5,362.62**
Total Liabilities		**25,919.86**	**24,976.54**	**20,170.76**
Total Equity And Liabilities		**43,585.08**	**38,605.99**	**31,590.04**

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date.

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

per **Arpit K. Patel**
Partner
Membership No. 34032

Place : Ahmedabad
Date: May 24, 2017

For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]
DIN : 00006273

Rajesh S. Adani
[Director]
DIN : 00006322

Dr. Malay Mahadevia
[Wholetime Director]
DIN : 00064110

B Ravi
[Chief Financial Officer]

Place : Ahmedabad
Date: May 24, 2017

Dipti Shah
[Company Secretary]

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

(₹ in crore)

Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
INCOME			
Revenue from Operations	20	8,439.35	7,108.65
Other Income	21	1,040.11	732.67
Total Income		**9,479.46**	**7,841.32**
EXPENSES			
Operating Expenses	22	2,167.89	1,835.30
Employee Benefits Expense	23	383.14	275.81
Depreciation and Amortization Expense		1,160.19	1,062.96
Foreign Exchange (Gain) / Loss (net)		(277.44)	50.30
Finance Costs	24		
(i) Interest and Bank Charges		1,281.24	1,193.61
(ii) Derivative Loss / (Gain) (net)		111.94	(69.31)
Other Expenses	25	473.63	373.21
Total Expenses		**5,300.59**	**4,721.88**
Profit Before Tax		**4,178.87**	**3,119.44**
Tax expense:	26		
Current tax		881.59	729.96
Adjustment of tax relating to earlier periods		0.13	(0.27)
Deferred tax		175.33	166.72
Less: Tax (credit) under Minimum Alternate Tax (MAT)		(770.42)	(613.60)
Total tax expense		**286.63**	**282.81**
Profit after tax and before share of profit/(loss) from jointly controlled entities		3,892.24	2,836.63
Share of profit from jointly controlled entities		9.26	19.27
Profit for the Year	(A)	**3,901.50**	**2,855.90**
Attributable to:			
Equity holders of the parent		3,911.52	2,897.16
Non-controlling interests		(10.02)	(41.26)
Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans		5.01	(3.38)
Income tax impact, (charge)		(1.61)	1.17
		3.40	**(2.21)**
Net Gains on FVTOCI Equity Investments		3.24	23.16
Income tax impact, credit / (charge)		0.03	(3.97)
		3.27	**19.19**
Net Other Comprehensive Income for the year not to be reclassified to profit or loss in subsequent periods	(B)	**6.67**	**16.98**
Total Comprehensive income for the year net of tax	(A)+(B)	**3,908.17**	**2,872.88**
Attributable to:			
Equity holders of the parent		3,919.94	2,913.72
Non-controlling interests		(11.77)	(40.84)
Earnings per Share - (Face value of ₹2 each)			
Basic and Diluted (in ₹)	27	18.89	13.99

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date.

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

per **Arpit K. Patel**
Partner
Membership No. 34032

Place : Ahmedabad
Date: May 24, 2017

For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]
DIN : 00006273

Rajesh S. Adani
[Director]
DIN : 00006322

Dr. Malay Mahadevia
[Wholetime Director]
DIN : 00064110

B Ravi
[Chief Financial Officer]

Place : Ahmedabad
Date: May 24, 2017

Dipti Shah
[Company Secretary]

Statement of Changes in Equity for the year ended March 31, 2017

adani

(₹ in crore)

Particulars	Attributable to the equity holders of the parent										Non-controlling interest	Total equity
	Equity share capital	Equity Component of Non Cumulative Redeemable Preference share	Reserve & Surplus						Other Comprehensive Income	Total		
			Securities premium	Foreign Currency Monetary item Translation Difference Reserve	Debenture Redemption Reserve	Foreign Currency Translation Reserve	General Reserve	Retained Earnings				
Balance as at April 1, 2015	**414.01**	**165.88**	**2,644.12**	**(202.70)**	**399.38**	**-**	**1,320.54**	**6,422.49**	**116.76**	**11,280.48**	**138.80**	**11,419.28**
Profit for the year	-	-	-	-	-	-	-	2,897.16	-	2,897.16	(41.26)	2,855.90
Other comprehensive income												
Re-measurement gains / (losses) on defined benefit plans (net of tax)	-	-	-	-	-	-	-	(2.21)	-	(2.21)	-	(2.21)
Fair valuation of investments measured at FVTOCI (net of tax)	-	-	-	-	-	-	-	-	18.77	18.77	0.42	19.19
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,894.95**	**18.77**	**2,913.72**	**(40.84)**	**2,872.88**
Cash Dividends	-	-	-	-	-	-	-	(455.51)	-	(455.51)	-	(455.51)
Dividend distribution tax (DDT)	-	-	-	-	-	-	-	(92.74)	-	(92.74)	-	(92.74)
Foreign currency gain /(loss) during the year (including translation)	-	-	-	(160.84)	-	-*	-	-	-	(160.84)	-	(160.84)
Amortised during the year in the consolidated statement of profit and loss	-	-	-	101.82	-	-	-		-	101.82	-	101.82
Issue of equity shares as per Scheme of arrangement (Refer note 44(b))	310.65	-	-	-	-	-	-	-	-	310.65	-	310.65
Cancellation of equity shares as per Scheme of arrangement (Refer note 44(b))	(310.47)	-	-	-	-	-	-	-	-	(310.47)	-	(310.47)
Excess of Net Assets taken over and share issued under Scheme of arrangement (Refer note 44 (b))	-	-	-	-	-	-	26.80	-	-	26.80	-	26.80
Transfer to General Reserve	-	-	-	-	(275.88)	-	275.88	-	-	-	-	-
Transfer to Debenture Redemption reserve	-	-	-	-	515.38	-	-	(515.38)	-	-	-	-
Adjustment of Bond Issue Expenses as per Section 52(2)(c) of the Companies Act, 2013 (refer note 13)	-	-	(39.75)	-	-	-	-	-	-	(39.75)	-	(39.75)
Adjustment on Cost Incurred on Issue of Debenture as per Section 52(2)(c) of the Companies Act, 2013 (refer note 13)	-	-	(6.49)	-	-		-	-	-	(6.49)		(6.49)
Adjustment of Premium paid on buy back of debentures as per Section 52(2)(c) of the Companies Act, 2013 (refer note 13)	-	-	(42.38)	-	-	-	-	-	-	(42.38)	-	(42.38)
Adjustment of Difference between Issue price and face value of bond as per Section 52(2)(c) of the Companies Act, 2013 (refer note 13)	-	-	(19.80)	-	-	-	-	-	-	(19.80)	-	(19.80)
Inflow from the non-controlling interest	-	-	-	-	-	-	-		-	-	26.00	26.00
Balance as at March 31, 2016	**414.19**	**165.88**	**2,535.70**	**(261.72)**	**638.88**	**-**	**1,623.22**	**8,253.81**	**135.53**	**13,505.49**	**123.96**	**13,629.45**

* Figures nullified in conversion of ₹ in crore.

(contd.)

Statement of Changes in Equity for the year ended March 31, 2017

(₹ in crore)

Particulars	Attributable to the equity holders of the parent											Non-controlling interest	Total equity
	Equity share capital	Equity Component of Non Cumulative Redeemable Preference share	Reserve & Surplus							Other Comprehensive Income	Total		
			Securities premium	Foreign Currency Monetary item Translation Difference Reserve	Debenture Redemption Reserve	Foreign Currency Translation Reserve	Tonnage Tax Reserve	General Reserve	Retained Earnings				
Balance as at March 31, 2016	**414.19**	**165.88**	**2,535.70**	**(261.72)**	**638.88**	**-**	**-**	**1,623.22**	**8,253.81**	**135.53**	**13,505.49**	**123.96**	**13,629.45**
Profit for the year	-	-	-	-	-		-	-	3,911.52		3,911.52	(10.02)	3,901.50
Other comprehensive income													
Re-measurement gains / (losses) on defined benefit plans (net of tax)	-	-	-	-	-	-	-	-	3.40	-	3.40	-	3.40
Fair valuation of investments measured at FVTOCI (net of tax)	-	-	-	-	-	-	-	-	-	5.02	5.02	(1.75)	3.27
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,914.92**	**5.02**	**3,919.94**	**(11.77)**	**3,908.17**
Add : Foreign currency Gain/(loss) during the year (including translation)	-	-	-	62.70	-	-*	-	-	-	-	62.70	-	62.70
Less : Amortised in consolidated statement of profit and loss	-	-	-	125.20	-	-	-	-	-	-	125.20	-	125.20
Transfer to General Reserve	-	-	-	-	(518.33)		-	518.33	-	-	-	-	-
Transfer to Debenture Redemption reserve	-	-	-	-	355.66		-	-	(355.66)	-	-	-	-
Transfer from Retained earnings (net)	-	-	-	-	-	-	3.30	-	(3.30)	-	-	-	-
Adjustment on account of acquisition of Non-controlling interest	-	-	-	-	-	-	-	-	(87.35)	-	(87.35)	27.05	(60.30)
Balance as at March 31, 2017	**414.19**	**165.88**	**2,535.70**	**(73.82)**	**476.21**	**-**	**3.30**	**2,141.55**	**11,722.42**	**140.55**	**17,525.98**	**139.24**	**17,665.22**

* Figures nullified in conversion of ₹ in crore.

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date.

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

per **Arpit K. Patel**
Partner
Membership No. 34032

Place : Ahmedabad
Date: May 24, 2017

For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]
DIN : 00006273

Rajesh S. Adani
[Director]
DIN : 00006322

Dr. Malay Mahadevia
[Wholetime Director]
DIN : 00064110

B Ravi
[Chief Financial Officer]

Place : Ahmedabad
Date: May 24, 2017

Dipti Shah
[Company Secretary]

Consolidated Cash flow Statement for the year ended March 31, 2017

(₹ in crore)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A. Cash Flow from Operating Activities		
Net profit before Tax	4,178.87	3,119.44
Adjustments for :		
Depreciation and Amortization Expense	1,160.19	1,062.96
Unclaimed Liabilities / Excess Provision Written Back	(6.78)	(13.85)
Cost of Land transferred under finance lease	1.84	6.09
Recognition of Deferred Income under Long Term Land Lease / Infrastructure Usage Agreements	(51.59)	(52.41)
Financial Guarantee	(8.82)	(12.13)
Government Grant	(9.33)	(8.88)
Finance Cost	1,281.24	1,193.61
Unrealised Foreign Exchange Loss / (Gain)	221.60	(66.67)
Derivative Loss/(Gain)	111.94	(69.31)
Allowances for Doubtful Debts	4.13	13.07
Allowances for Doubtful Advance and Deposits	5.35	13.76
Finance Income (Including for change in fair valuation)	(867.38)	(631.20)
Dividend Income	(2.20)	(1.88)
Profit on sale of Current Investments	(37.34)	(30.05)
Diminution in value of Inventories	21.15	-
Amortisation of benefit under Deposit	8.74	6.12
Loss on Sale / Discard of Property, Plant and Equipment (net)	3.54	2.91
Profit on sale of Non Current Investment	(2.99)	(0.35)
Operating Profit before Working Capital Changes	**6,012.16**	**4,531.23**
Adjustments for :		
Decrease/(Increase) in Trade Receivables	32.83	(214.95)
(Increase) in Inventories	(22.95)	(5.20)
(Increase) in Financial Assets	(102.28)	(360.30)
(Increase) in Other Assets	(1,383.31)	(828.21)
Increase in Provisions	35.06	17.88
Increase in Trade Payables	59.63	42.83
(Decrease)/Increase in Other Financial Liabilities	(62.39)	34.00
Increase/(Decrease) in Other Liabilities	156.43	(95.20)
Cash Generated from Operations	**4,725.18**	**3,122.08**
Direct Taxes paid (Net of Refunds)	(723.28)	(741.56)
Net Cash Inflow from Operating Activities	**4,001.90**	**2,380.52**
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(3,687.51)	(2,124.77)
Deposits given against Commitments	-	(914.50)
Refund of Deposits given against Commitments	756.95	-
Payment made towards Acquisition of Equity- Subsidiaries acquired	(106.27)	-
Advance paid towards Acquisition of Equity	-	(250.00)
Advance received back as above	250.00	-
Advance paid for Acquisition of Business	(1,450.00)	-
Investment made in Non Convertible Redeemable Debentures	-	(150.00)
Proceeds on sale of Non Convertible Redeemable Debentures	156.62	-
Purchase of Non current Investment in Associate	-	(2.44)
Proceed on Sale of Investment in Associates	-	1.90
Inter-corporate Deposit / Loans given	(3,493.40)	(4,820.81)
Inter-corporate Deposit/ Loans received back	5,437.55	3,835.25
Proceeds from / (Deposits in) Fixed Deposits with a maturity period of more than 90 days (net) including Margin Money Deposits (net)	(507.88)	(393.54)
Sale/(Purchase) of Investments in Mutual Fund (net)	159.48	96.25
Short term Investments in Debentures and Commercial Papers	(894.49)	-
Proceeds from Sale of Fixed Assets	0.46	14.56
Dividend Received	2.20	1.88
Interest Received	796.87	553.06
Net Cash Outflow used in Investing Activities	**(2,579.42)**	**(4,153.16)**

Consolidated Cash flow Statement for the year ended March 31, 2017

(₹ in crore)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings (Including bond issue proceeds)	11,987.58	13,439.37
Repayment of Long Term Borrowings (including Debentures)	(11,486.66)	(11,046.25)
Proceeds from Short Term Borrowings	20,975.54	16,180.82
Repayment of Short Term Borrowings	(21,550.75)	(14,290.87)
Interest & Finance Charges Paid	(1,087.53)	(1,232.69)
Cost of Issuance of Bonds/ Debentures and Premium paid on redemption of debenture	(28.81)	(88.62)
Loss on settlement of Derivative Contracts	(124.06)	(217.10)
Payment of Dividend on Equity and Preference Shares	(0.68)	(455.51)
Tax on Equity and Preference Share Dividend Paid	-	(92.74)
Advance paid towards acquisition of non-controlling interest in subsidiaries	-	(52.00)
Payment towards acquisition of non-controlling interest in subsidiaries	(9.34)	-
Inflow from Non-Controlling Interest	-	26.00
Net Cash (Outflow)/Inflow from Financing Activities	**(1,324.71)**	**2,170.41**
D Net Increase in Cash and Cash Equivalents (A+B+C)	97.77	397.77
E Cash and Cash Equivalents at the beginning of the year (refer Note 11)	843.00	445.23
F Cash and Cash Equivalents on acquisition of subsidiary	10.26	-
G Cash and Cash Equivalents at the end of the year (refer Note 11)	951.03	843.00
Components of Cash & Cash Equivalents		
Cash on Hand	0.04	0.06
Cheque on hand	-	150.00
Balances with Scheduled Banks		
- On Current Accounts	915.05	691.44
- On Current Accounts Earmarked for unpaid dividend and share application refund money	0.82	1.50
- On Fixed Deposit Accounts	35.12	-
Cash and Cash Equivalents at end of the year	**951.03**	**843.00**

Summary of significant accounting policies refer note 2.3

1 The Consolidated 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 Standards) Rules, 2015 (as amended).

2 Purchase of investment in Mutual Fund of ₹69,788.88 crore (previous year ₹44,896.57 crore) and sale of Mutual Fund of ₹69,910.98 crore (previous year ₹44,992.93 crore).

As per our report of even date.

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

per **Arpit K. Patel**
Partner
Membership No. 34032

Place : Ahmedabad
Date: May 24, 2017

For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]
DIN : 00006273

Rajesh S. Adani
[Director]
DIN : 00006322

Dr. Malay Mahadevia
[Wholetime Director]
DIN : 00064110

B Ravi
[Chief Financial Officer]

Place : Ahmedabad
Date: May 24, 2017

Dipti Shah
[Company Secretary]

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

1 CORPORATE INFORMATION

The Consolidated financial statements comprise financial statements of Adani Ports and Special Economic Zone Limited (the "Company, APSEZL") and its jointly controlled entities and subsidiaries (collectively, the "Group") for the period ended March 31, 2017. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at "Adani House", Mithakhali Six Roads, Navrangpura, Ahmedabad - 380009.

The group has port infrastructure facilities at Mundra, Kandla, Hazira, Dahej, Dhamra, Vizag, Murmugao, Kattupalli, Ennore locations developed pursuant to the respective concession/sub concession agreements apart from other business. The Group is also developing port infrastructure at Vizhinjam.

The Company is in the business of development, operations and maintenance of port infrastructure (port services and related infrastructure development) and has linked multi product Special Economic Zone (SEZ) and related infrastructure contiguous to Port at Mundra. The initial port infrastructure facilities at Mundra including expansion thereof through development of additional port terminals and south port terminal infrastructure facilities are developed pursuant to the concession agreement with Government of Gujarat (GoG) and Gujarat Maritime Board (GMB) for 30 years period effective from February 17, 2001. At Mundra, the Company has expanded port infrastructure facilities through approved supplementary concession agreement (pending to be concluded) which will be effective till the year 2040, whereby port infrastructure has been developed at Wandh at Mundra to handle coal cargo. The said agreement is in the process of getting signed with GoG and GMB although Coal terminal at Wandh is recognized as commercially operational w.e.f. February 01, 2011.

The first Container terminal facilities (CT-1) developed at Mundra, was transferred under sub-concession agreement entered into on January 7, 2003 between Mundra International Container Terminal Limited (MICTL) (erstwhile Adani Container (Mundra) Terminals Limited) and the Company wherein the Company has given rights to MICTL to handle the container cargo for a period of 28 years i.e. up to February 17, 2031. The container terminal facilities developed at South Port location (CT-3) has been leased under approved sub concession agreement dated October 17, 2011 to (50:50) joint venture company, Adani International Container Terminal Private Limited (AICTPL), co-terminate with main concession agreement with GMB. The said sub-concession agreement is pending to be concluded with GOG and GMB. Another Container Terminal developed at south port location i.e. CT-4 has been developed in terms of (50:50) joint venture arrangement with CMA Terminals, France since July 30, 2014. The said terminal is currently temporary operated, pending approval of sub concession agreement by the GMB.

The Multi Product Special Economic Zone developed at Mundra by the Company along with port infrastructure facilities is approved by the Government of India vide their letter no. F-2/11/2003/EPZ dated April 12, 2006 and subsequently amended from time to time till date. The Company has also set up Free Trade and Warehousing Zone at Mundra based on approval of Ministry of Commerce and Industry vide letter no.F.1/16/2011-SEZ dated January 04, 2012. The Company has also set up additional Multi Product Special Economic Zone at Mundra Taluka over an area of 1,856 hectares as per approval from Ministry of Commerce and Industry vide approval letter dated April 24, 2015. The Company has received single notification consolidating three notified SEZ in Mundra vide letter dated March 15, 2016 of Ministry of Commerce and Industry, Department of Commerce (SEZ Section).

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 24, 2017.

The entities considered for consolidation and their nature of operations are as follows:

i) Adani Logistics Limited (ALL), a 100% subsidiary of APSEZL, has developed multi-modal cargo storage-cum-logistics services through development of Inland Container Depots (ICDs) and Container Freight Stations (CFSs) at various strategic locations and operates container trains on specific railway routes as per concession agreement entered into with Ministry of Railways, Government of India.

ii) MPSEZ Utilities Private Limited (MUPL), is a 100% subsidiary of APSEZL, has developed infrastructure including operation, development, maintenance, improvement, and extension of utility services (including power distribution) of every description at Mundra Special Economic Zone in Kutch district (Gujarat).

iii) Mundra SEZ Textile and Apparel Park Private Limited, a 51.41% subsidiary of APSEZL & 5.57% investment held through

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

ALL (a 100% subsidiary of APSEZL), has set up an integrated textile park under the scheme of Ministry of Textiles, Government of India in Special Economic Zone at Mundra, Kutch district (Gujarat).

iv) Karnavati Aviation Private Limited, a 100% subsidiary of APSEZL, is engaged in providing non scheduled (passenger) airline services through its aircrafts.

v) Adani Petronet (Dahej) Port Private Limited (APPPL), a 74% subsidiary of APSEZL, has developed a Solid Cargo Port Terminal and related port infrastructure facilities of bulk cargo at Dahej, (Gujarat).

vi) Adani Murmugao Port Terminal Private Limited, a 100% subsidiary of APSEZL, has developed port infrastructure facilities i.e. coal handling terminal at Murmugao, Goa.

vii) Mundra International Airport Private Limited, a 100% subsidiary of APSEZL, has plan to set up air cargo operations at Kawai, Rajasthan.

viii) Adani Hazira Port Private Limited, a 100% subsidiary of APSEZL, has developed multi – cargo terminal and related infrastructure at Hazira - Surat (Gujarat). The further expansion of port facilities is under development.

ix) Hazira Infrastructure Private Limited, a step down subsidiary of APSEZL, a 100% subsidiary of Adani Hazira Port Private Limited has plans to develop and construct rail corridor between Surat and Hazira along with related infrastructure subject to approval by Railway Board and Government of Gujarat.

x) Mundra LPG Infrastructure Private Limited (formerly known as Hazira Road Infrastructure Private Limited), a 100% subsidiary of APSEZL and propose to develop LPG infrastructure.

xi) Adinath Polyfills Private Limited a 100% subsidiary of APSEZL and was strategically acquired to enhance the port business.

xii) Adani Vizag Coal Terminal Private Limited, is a 100% subsidiary of APSEZL. The Company has developed Port infrastructure facilities at East Quay for handling steam coal at Visakhapatnam Port.

xiii) Adani Kandla Bulk Terminal Private Limited, is a 100% subsidiary of APSEZL. The Company has developed a Dry Bulk terminal off Tekra near Tuna outside Kandla creek at Kandla Port.

xiv) Adani Warehousing Services Private Limited, is a 100% subsidiary of APSEZL. The Company is formed to provide warehousing / storage facilities and other related services.

xv) Adani Ennore Container Terminal Private Limited, is a 100% subsidiary of APSEZL. The Company is developing container terminal and other related infrastructure at Ennore Port.

xvi) Adani Hospitals Mundra Private Limited, is a 100% subsidiary of APSEZL. The Company provides hospital and related services at Mundra.

xvii) The Dhamra Port Company Limited ("DPCL"), has become wholly owned subsidiary of the Company w.e.f. June 23, 2014 and is operating bulk cargo port infrastructure facilities at Dhamra in the state of Odisha.

xviii) Shanti Sagar International Dredging Private Limited (formerly known as Adani Food and Agro Processing Park Private Limited) is incorporated on May 05, 2015, as a 100% subsidiary of APSEZL.The Company is going to provide dredging services.

xix) Adani Harbour Services Private Limited (AHSPL) has become a wholly owned subsidiary of APSEZL w.e.f. December 08, 2016. Previously, the company is known as TM Harbour Services Private Limited. The principal activity of AHSPL is to own and operate harbour tugs, barges, other port crafts, ocean towage and offshore support vessels and to provide marine services like pilotage, laying and maintenance of buoys including SBMs, mooring of vessels at berth and mid-stream,

xx) Adani Vizhinjam Port Private Limited is incorporated on July 27, 2015 as a 100% subsidiary of APSEZL.The Company is developing container terminal port and other related infrastructure at Vizhinjam.

xxi) Adani Kattupalli Port Private Limited (AKPPL) is incorporated on August 14, 2015 as a 100% subsidiary of APSEZL, with an objective for development and operation of container terminal at Kattupalli Tamil Nadu.

AKPPL has entered into implementation agreement with L&T shipbuilding Limited (LTSB) and Larsen & Toubro Limited on November 09, 2015 for transfer of the Port business of LTSB, Kattupalli, subject to all the approvals from government authorities and further till such approval is received, AKPPL has decided to operate the port under interim operator arrangement w.e.f. November 01, 2015. Currently, AKPPL is operating the terminal facilities at Kattupalli.

xxii) Adani Petroleum Terminal Private Limited has been incorporated as wholly owned subsidiary of APSEZL on April 26, 2016.

xxiii) Dhamra LPG Terminal Private Limited, a step down subsidiary of APSEZL, a 100% subsidiary of Adani Petroleum Terminal Private Limited has an objective for development of LPG storage and evacuation facilities at Dhamra.

xxiv) Adani LPG Terminal Private Limited, a step down subsidiary of APSEZL, a 100% subsidiary of Adani Petroleum Terminal Private Limited has an objective for development of LPG storage and evacuation facilities at Mundra.

xxv) Dhamra LNG Terminal Private Limited , a step down subsidiary of APSEZL, a 100% subsidiary of Adani Petroleum Terminal Private Limited has an objective for development of LNG storage and evacuation facilities at Dhamra.

xxvi) Dholera Infrastructure Private Limited (DIPL), an entity in which APSEZL holds 49% of equity, was incorporated with the main object of developing, maintaining and operating infrastructure facilities on November 22, 2006 under the Companies Act, 1956. The company through its subsidiary is in the process of developing port and infrastructure facilities. Under Ind AS 110, it has been evaluated that APSEZL has defacto control over DIPL and accordingly is considered as subsidiary for consolidation purpose.

xxvii) Dholera Port And Special Economic Zone Limited, a 100% subsidiary of Dholera Infrastructure Private Limited was incorporated on August 31, 1998 under the provisions of Companies Act, 1956. The Company was in the process of developing a port at Dholera.

xxviii) Mundra Solar Technopark Private Limited (MSTPL) remained APSEZL's wholly owned subsidiary till September 03, 2015 and then remained Company's associate by holding 49.5% till March 05, 2016. MSTPL is co-developer at Special Economic Zone at Mundra developing Electronic Manufacturing Cluster.

xxix) Abbot Point Operations Pty Limited is incorporated on May 15, 2015 as a 100% subsidiary of the Company .

xxx) Abbot Point Bulk coal Pty Limited (APB) has become a wholly owned subsidiary of Abbot Point Operations Pty Limited w.e.f. October 04, 2016. APB is a company limited by shares that is incorporated and domiciled in Australia.

2 BASIS OF PREPARATION

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

For all periods up to and including the year ended March 31, 2016, the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first the Group has prepared in accordance with Ind AS. Refer to Note no. 47 for information on how the Group adopted Ind AS.

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

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

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

2.2 Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its jointly controlled entities and subsidiaries as at March 31, 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:.

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions."

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

a) Investment in associates and jointly controlled entities

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A jointly controlled entity is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and jointly controlled entities are accounted for using the equity method. Under the equity method, the investment in an associate or a jointly controlled entities is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

The statement of profit and loss reflects the Group's share of the results of operations of the jointly controlled entities. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the jointly controlled entities, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the jointly controlled entities are eliminated to the extent of the interest in the jointly controlled entities.

If an entity's share of losses of a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a jointly controlled entities is shown on the face of the statement of profit and loss.

The financial statements of the jointly controlled entities are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its jointly controlled entities. At each reporting date, the Group determines whether there is objective evidence that the investment in the jointly controlled entities are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the jointly controlled entities and its carrying value, and then recognises the loss as 'Share of profit of a jointly controlled entities' in the statement of profit or loss.

Upon loss of significant influence over the joint control over the jointly controlled entities, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the jointly controlled entities upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

b) Current versus non-current classification

The Group 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 normal operating cycle; or
- Held primarily for the purpose of trading; or

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

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

The Group 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 realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c) Foreign currency transactions :

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of transaction. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

d) Transactions and balances

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

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

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception stated under Note 47.1(d), for which the treatment is as below :

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

ii. Exchange differences arising on other outstanding long term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. March 31, 2016 are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" (FCMITDA) and amortized over the remaining life of the concerned monetary item.

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

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

e) **Fair value measurement**

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

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

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

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group 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 Group's Management determines the policies and procedures for both recurring fair value measurement, such as derivative financial instruments and unquoted financial assets measured at fair value and for non recurring fair value measurement, such as an assets under the scheme of business undertaking.

External valuers are involved for valuation of of significant assets such as business undertaking for transfer under the scheme and unquoted financial assets and financial liabilities. Involvement of external valuers is decided upon annually by the Management and in specific cases after discussion with and approval by the companies Audit Committee. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with The Group'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 Group'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 Group'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 Group 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 34.2 and 2.4)

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

- Quantitative disclosures of fair value measurement hierarchy (refer note 34.2)
- Property, plant and equipment under Scheme of Business Undertaking (refer note 44(a) and 2.4)
- Investment in unquoted equity shares (refer note 4)
- Financial instruments (including those carried at amortised cost) (refer note 34.1)

f) Revenue recognition

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

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

Port Operation Services

Revenue from port operation services / multi-model and transportation service including cargo handling, storage and rail infrastructure are recognized on proportionate completion method basis based on services completed till reporting date. 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 recognized as a revenue is exclusive of service tax and education cess where applicable.

Income in the nature of license fees / royalty is recognized as and when the right to receive such income is established as per terms and conditions of relevant service agreement.

Income from long term leases

As a part of its business activity, the Group leases/ sub-leases land on long term basis to its customers. In some cases, the Group enters into cancellable lease / sub-lease transaction, while in other cases, it enters into non-cancellable lease / sub-lease transaction apart from other criteria to classify the transaction between the operating lease or finance lease. The Group recognizes the income based on the principles of leases as set out in Ind AS 17 "Leases" and accordingly in cases where the land lease / sub-lease transaction are cancellable in nature, the income in the nature of upfront premium received / receivable is recognized on operating lease basis i.e. on a straight line basis over the period of lease / sub-lease agreement / date of Memorandum of understanding takes effect over lease period and annual lease rentals are recognized on an accrual basis.

In cases where land lease / sub-lease transaction are non-cancellable in nature, the income is recognized on finance lease basis i.e. at the inception of lease / sub-lease agreement / date of memorandum of understanding takes effect over lease period, the income recognized is equal to the present value of the minimum lease payment over the lease period (including non-refundable upfront premium) which is substantially equal to the fair value of land leased / sub-leased. In respect of land given on finance lease basis, the corresponding cost of the land and development costs incurred are expensed off in the statement of profit and loss.

Deferred Infrastructure Usage

Income from infrastructure usage fee collected upfront basis from the customers is recognized over the balance contractual period on straight line basis.

Development of Infrastructure Assets

In case the Group is involved in development and construction of infrastructure assets where the outcome of the project cannot be estimated reasonably, revenue is recognized when all significant risks and rewards of ownership in the infrastructure assets are transferred to the customer and all critical approvals necessary for transfer of the project are received / obtained.

Non Scheduled Aircraft Services

Revenue from chartered services is recognized when the service is performed under contractual obligations.

Utilities Services

Revenue is recognized as and when the service performed under contractual obligations and the right to receive such income is established. Delayed payment charges are accounted as and when received.

Contract Revenue

Revenue from construction contracts is recognized on a percentage completion method, in proportion that the contract costs incurred for work performed up to the reporting date stand to the estimated total contract costs indicating the stage of completion of the project. Contract revenue earned in excess of billing has been reflected under the head "Other Current Assets" and billing in excess of contract revenue has been reflected under the head "Other Current Liabilities" in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen and cost incurred towards future contract activity is classified as project work in progress.

Income from fixed price contract - Revenue from infrastructure development project / services under fixed price contract, where there is no uncertainty as to measurement or collectability of consideration is recognized based on milestones reached under the contract.

Income from SEIS/SFIS

Income from Services Exports from India Scheme ('SEIS') incentives under Government's Foreign Trade Policy 2015-20 and Served from India Scheme ('SFIS') under Government's Foreign Trade Policy 2009-14 on the port services income are classified as 'Income from Port Operations' and is recognised based on effective rate of incentive under the scheme, provided no significant uncertainty exists for the measurability, realisation and utilisation of the credit under the scheme. The receivables related to SEIS licenses 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. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividends

Revenue is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

g) Government Grants

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

Royalty on Cargo

Waterfront royalty cargo under the various concession/sub concession agreement is paid at concessional rate in terms of rate prescribed by respective states Maritime Board (MB) and notified in official gazette of various state Government authorities, wherever applicable.

h) Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

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

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in jointly controlled entities, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in jointly controlled entities, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The Company is eligible and claiming tax deductions available under section 80IAB of the Income Tax Act, 1961 for a period of 10 years w.e.f FY 2007-08. Some of the subsidiaries and jointly controlled entities are also eligible for tax deductions available under section 80IA of the Income Tax Act, 1961 for a period of 10 years out of eligible period of 15 years. In view of the Company and some of the subsidiaries and jointly controlled entities availing tax deduction under Section 80IA/80IAB 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 Group recognizes tax credits in the nature of Minimum Alternative Tax MAT credit as an asset only to the extent that there is sufficient taxable temporary difference/convincing evidence that the Group 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

Group recognizes tax credits as an asset, the said asset is created by way of tax credit to the consolidated statement of profit and loss. The Group reviews the such tax credit asset at each reporting date and writes down the asset to the extent the Group 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.

i) **Property, plant and equipment (PPE)**

Under the previous GAAP (Indian GAAP), Fixed assets (including Capital work in progress) are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalization criteria are met directly attributable cost of bringing the asset to its working condition for the intended use. The Group has elected to regard previous GAAP carrying values of property as deemed cost at the date of transition to Ind AS.

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

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

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

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

The Group 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	Right to Use Over the balance period of Concession Agreement and approved Supplementary Concession Agreement (as mentioned in note 1) / Over the period of agreement of 20 years
Leasehold Land Development	Over the balance period of Concession Agreement and approved Supplementary Concession Agreement by Gujarat Maritime board, other major port trust authorities, State Government authorities etc. as applicable.
Marine Structure, Dredged Channel, Building RCC Frame Structure	50 Years as per concession agreement/over the balance period of concession agreement as applicable.
Dredging Pipes - Plant and Machinery	1.5 Years
Nylon and Steel coated belt on Conveyor - Plant and Machinery	4 Years and 10 Years respectively
Inner Floating and outer floating hose, String of Single Point Mooring - Plant and Machinery	6 Years
Fender, Buoy installed at Jetty - Marine Structures	5 - 10 Years
Bridges, Drains & Culverts	25 Years as per concession agreement

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

Carpeted Roads – Other than RCC	10 Years
Non Carpeted Roads – Other than RCC	3 Years
Tugs	20 Years as per concession agreement

An item of property, plant and equipment covered under Concession agreement, sub-concession agreement and supplementary concession agreement, shall be transferred to and shall vest in Grantor (government authorities) at the end of respective concession agreement. In cases, where the Group 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.

j) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

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

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

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

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

Intangible Assets	Method of Amortisation	Estimated Useful life
Software applications	on straight line basis	5 Years based on management estimate
License Fees paid to Ministry of Railway (MOR) for approval for movement of Container Trains	on straight line basis	Over the license period of 20 years
Right to Use of Land	on straight line basis	Over the period of agreement between 10-20 years
Right of use to develop and operate the port facilities	on straight line basis	Over the balance period of Sub-Concession Agreement

Port concession rights arising from Service Concession/Sub-Concession Arrangements:

The Group recognises port concession rights as "Intangible Assets" arising from a service concession arrangement, in which the grantor controls or regulates the services provided and the prices charged, and also controls any significant residual interest in the infrastructure such as property, plant and equipment, if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Group as part of the service concession arrangement. Such an intangible asset is recognised by the Group at cost (which is the fair value of the consideration received or receivable for the construction service delivered) and is capitalised when the project is complete in all respects and the Group receives the completion certificate from the authorities as specified in the concession agreement.

Port concession rights also include certain property, plant and equipment which are reclassified as intangible assets in accordance with Appendix A of Ind AS 11 'Service Concession Arrangements'. These assets are amortised based on the lower of their useful lives or concession period.

Gains or losses arising from de-recognition of port concession rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is de-recognised.

The estimated period of port concession arrangements ranges within a period of 20 – 40 years.

k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur except where expenses are adjusted to securities premium account in compliance with section 52 of the Companies Act, 2013. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) Leases

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

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

Group 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 Group 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 Group'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 Group 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.

Group as a lessor

Leases in which the Group 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

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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

m) 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.

Costs incurred that relate to future contract activities are recognised as "Project Work in Progress".

Project work in progress comprise specific contract costs and other directly attributable overheads including borrowing costs which can be allocated on specific contract cost is, valued at lower of cost and net realisable value.

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

n) Impairment of non-financial assets

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

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

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

Impairment losses including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at every year end and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at year end at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

o) Provisions

General

Provisions are recognised when the Group 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.

Operational Claim provisions

Provisions for operational claims are recognised when the service is provided to the customer. Further recognition is based on historical experience. The initial estimate of operational claim related cost is revised annually.

p) Retirement and other employee benefits

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

The Group 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 Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

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

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The Group 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 Group 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 Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer it's settlement for twelve month after the reporting date.

q) 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

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 with that are attributable to the acquisition of the financial assets.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments and derivative instruments and equity instruments at fair value through Profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

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

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

(ii) 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 Group. 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 except where the Company has given temporary waiver of interest not exceeding 12 months period. This category generally applies to trade/loans and other receivables.

Debt instrument at FVTPL

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

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

Equity investments

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Perpetual debt

The Company invests in a subordinated perpetual debt, redeemable at the issuer's option, with a fixed coupon that can be deferred indefinitely if the issuer does not pay a dividend on its equity shares. The Company classifies these instrument as equity under Ind AS 32.

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 Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

Impairment of financial assets

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

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

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

c) Lease receivables under Ind AS 17

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

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

> Trade receivables or contract revenue receivables; and

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

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

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

ECL is the difference between all contracted cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group 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 profit and loss.

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

Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

This is the category most relevant to the Group. 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.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value through profit or loss (FVTPL), adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

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 Group 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 Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group 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 Group 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.

r) **Derivative financial instruments**

Initial recognition and subsequent measurement

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

Any gains or losses arising from changes in the fair value of derivative financial instrument are classified in the statement of profit and loss and reported with foreign exchange gains/(loss) not within results from operating activities. Changes in fair value and gains/(losses) on settlement of foreign currency derivative financial instruments relating to borrowings, which have not been designated as hedge are recorded as finance cost.

s) **Redeemable preference shares**

Redeemable preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the redeemable preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on redemption.

Transaction costs are apportioned between the liability and equity components of the redeemable preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

t) **Cash and cash equivalents**

Cash and cash equivalent 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 consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of The Group's cash management.

u) **Cash dividend to equity holders of the parent**

The Company recognises a liability to make cash to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

v) **Earning per Share**

Basic earnings per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period, adjusted for scheme of demerger whereby new equity shares were issued and existing share cancelled during the previous year.

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

2.4 Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated 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.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which has the most significant effect on the consolidated financial statements:

Proposed sale of Marine Business Operations under the Scheme of Arrangement:

On February 14, 2017, the Board of Directors of the Company announced its decision to demerge Marine Business operations consisting of piloting and movement of vessels using tugs, berthing and de-berthing of vessels using tugs, marine logistic support services, towage and transhipment within in-land waterways, in coastal waters and sea, through the proposed Scheme of Arrangement to a wholly owned subsidiary. The demerger transaction under the scheme is subject to the approval of creditors, shareholders and National Company Law Tribunal ("NCLT") and said approvals are pending at year end. Considering the above approvals to be substantive requirements, no adjustment has been made for the accounting treatment proposed in the aforesaid scheme, in the financial statements.

Two of the subsidiary entities i.e. Adani Petronet (Dahej) Port Private Limited and Adani Hazira Port Private Limited have also announced their decision to demerge Marine Business Operations of the respective entity as per approval of respective company's Board of Directors in their meeting held on February 14, 2017 and March 22, 2017 respectively. Pending significant approvals of creditors, shareholders and NCLT, no adjustment has been made for the possible accounting treatment proposed in the aforesaid scheme, in the consolidated financial statements.

Carrying value of net assets of the Marine Business Operations of the Company and its subsidiaries as at March 31, 2017 is ₹755.36 crores (excluding borrowings of ₹111.21 crores). Also refer note 44(a).

Consolidation of entities in which the Group holds less than a majority of voting rights (de facto control)

The Group considers that it controls Dholera Infrastructure Private Limited (DIPL) even though it owns less than 50% of the voting rights. Though the Group is holding 49% equity interest and the remaining 51% of the equity shares in Dholera Infrastructure Private Limited are held by another shareholder, the Company has entered into an agreement with the aforesaid shareholder and DIPL based on evaluation of terms and conditions of share purchase agreement, the Group has able to exercise de facto control over DIPL as per the provisions of Ind-AS 110 "Consolidated Financial Statements".

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 Group based its assumptions and estimates on parameters available when the consolidated 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 Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the CGU, are disclosed and further explained in note 45.

Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management 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 26.

Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in note 29.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 34 for further disclosures.

Provision for Decommissioning Liabilities

The management of the Group has estimated that there is no probable decommissioning liability under the condition / terms of the various concession agreements/sub-concession agreements with various Maritime Boards/Government Port Trust Authorities.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

3. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS

Note 3(a) Property Plant and Equipment

(₹ in crore)

Particulars	Free Hold Land	Lease hold land	Buildings, Roads and Civil Infra-structure	Computer Hardware	Land De-velopment cost on Leasehold Land	Office Equip-ments	Plant & Machinery	Furniture & Fixture	Vehicles	Dredged Channels	Marine Structures	Railway Tracks	Tugs and Boats	Railway Wagons	Aircraft	Project Assets	Total
Cost																	
As at April 1, 2015 (refer note 47.1 (b))	**614.73**	**17.54**	**2,631.12**	**35.40**	**748.64**	**31.15**	**4,228.81**	**37.89**	**30.46**	**2,450.04**	**2,222.33**	**820.81**	**770.02**	**63.23**	**284.98**	**963.70**	**15,950.85**
Additions on acquisition/merger	-	-	1.50	-	2.13	-	0.44	0.03	-	-	1.40	-	22.43	-	-	-	27.93
Additions	13.73	-	190.04	5.87	34.12	9.79	751.76	4.17	1.45	117.61	0.09	28.68	16.40	53.57	-	39.35	1,266.63
Deductions/ Adjustment	(3.53)	-	1.94	(0.02)	(123.70)	(0.98)	(30.18)	(0.09)	(0.82)	-	19.46	3.11	-	-	(0.32)	(2.97)	(138.10)
Exchange difference	-	-	45.66	0.71	3.96	0.34	115.83	-	-	25.71	68.63	9.42	38.57	-	10.97	46.45	366.25
As at March 31, 2016	**624.93**	**17.54**	**2,870.26**	**41.96**	**665.15**	**40.30**	**5,066.66**	**42.00**	**31.09**	**2,593.36**	**2,311.91**	**862.02**	**847.42**	**116.80**	**295.63**	**1,046.53**	**17,473.56**
Additions	21.17	61.25	253.63	10.00	13.65	38.66	152.91	14.23	4.00	597.75	61.42	5.83	217.46	-	-	44.66	1,496.62
Deductions/ Adjustment	(2.05)	-	18.81	(0.52)	-	(0.18)	(1.19)	(0.16)	(1.99)	6.85	(138.92)	-	(22.93)	(0.54)	-	(96.31)	(239.13)
Exchange difference	-	-	1.20	(0.47)	5.15	0.61	6.01	-	-	18.77	(4.82)	2.70	5.90	0.25	(3.15)	(20.88)	11.27
As at March 31, 2017	**644.05**	**78.79**	**3,143.90**	**50.97**	**683.95**	**79.39**	**5,224.39**	**56.07**	**33.10**	**3,216.73**	**2,229.59**	**870.55**	**1,047.85**	**116.51**	**292.48**	**974.00**	**18,742.32**
Depreciation/ amortisation																	
As at April 1, 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	-	0.52	194.24	12.69	21.04	9.53	381.58	4.22	6.05	57.45	54.51	84.05	45.55	8.70	17.45	111.49	1,009.07
Deductions/ (Adjustment)	-	-	(0.03)	-	-	(0.20)	(1.16)	(0.03)	(0.10)	-	-	-	-	-	-	(0.59)	(2.11)
As at March 31, 2016	**-**	**0.52**	**194.21**	**12.69**	**21.04**	**9.33**	**380.42**	**4.19**	**5.95**	**57.45**	**54.51**	**84.05**	**45.55**	**8.70**	**17.45**	**110.90**	**1,006.96**
Depreciation for the year	-	1.97	194.87	12.27	31.34	23.10	404.37	4.28	5.96	70.78	53.51	85.85	121.10	10.42	17.25	137.53	1,174.60
Deductions/ (Adjustment)	-	-	(0.03)	(0.50)	-	(0.14)	(0.58)	(0.08)	(0.73)	-	(0.03)	-	(6.41)	-	-	-	(8.50)
As at March 31, 2017	**-**	**2.49**	**389.05**	**24.46**	**52.38**	**32.29**	**784.21**	**8.39**	**11.18**	**128.23**	**107.99**	**169.90**	**160.24**	**19.12**	**34.70**	**248.43**	**2,173.06**
Net Block																	
As at March 31, 2017	644.05	76.30	2,754.85	26.51	631.57	47.10	4,440.18	47.68	21.92	3,088.50	2,121.60	700.65	887.61	97.39	257.78	725.57	16,569.26
As at March 31, 2016	624.93	17.02	2,676.05	29.27	644.11	30.97	4,686.24	37.81	25.14	2,535.91	2,257.40	777.97	801.87	108.10	278.18	935.63	16,466.60
As at April 1, 2015	614.73	17.54	2,631.12	35.40	748.64	31.15	4,228.81	37.89	30.46	2,450.04	2,222.33	820.81	770.02	63.23	284.98	963.70	15,950.85

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

Note 3(a) Property Plant and Equipment (contd.)

Notes :-

a) Depreciation of ₹130.03 crore (previous year ₹81.34 crore) relating to the project assets and pre-fabricated residential structure (temporary structure) has been allocated to Capitalisation / Capital Work in progress for expansion of project works.

b) Freehold Land includes land development cost of ₹12.56 crore (previous year ₹12.56 crore).

c) Plant and Equipment includes cost of Water Pipeline amounting to ₹6.65 crore (Gross) (previous year ₹6.65 crore), accumulated depreciation ₹4.07 crore (previous year ₹3.67 crore) which is constructed on land not owned by the Company.

d) Buildings includes 612 residential flats (previous year 588 flats) and a hostel building valuing ₹139.94 crore (previous year ₹131.04 crore) at Samudra Township, Mundra, which are pending to be registered in Company's name. Further an advance of ₹8.19 crores (previous year ₹22 crore) is also paid to purchase additional flats / hostel building.

e) As a part of concession agreement for development of port and related infrastructure at Mundra the Company has been allotted land on lease basis by Gujarat Maritime Board (GMB). The Company has recorded rights in the GMB Land at present value of future annual lease payments in the books and classified the same as lease hold land

f) Land development cost on leasehold land includes costs incurred towards reclaimed land of ₹202.21 crore (previous year ₹202.21 crore). The cost has been estimated by the management, being cost allocated out of the dredging activities approximate the actual cost.

g) Reclaimed land measuring 1271.58 hectare are pending to be registered in the name of the Company.

h) Project Assets include dredgers and earth moving equipments.

i) Land Development cost and Right to use on Leasehold Land includes Land taken on Finance Lease Basis:

   Gross Block as at March 31, 2017 - ₹4.11 crore (previous year - ₹4.11 crore and April 01, 2015 - ₹4.11 crores)

   Depreciation for the year: ₹0.26 crore (previous year - ₹0.27 crore)

   Accumulated Deprecation as at March 31, 2017 - ₹0.53 crore (previous year - ₹0.27 crores and April 01, 2015 - NIL)

   Net Block as at March 31, 2017 - ₹3.58 crores (previous year - ₹3.85 crores and April 01, 2015 - ₹4.11 crores)

j) Free hold Land includes Land given on Operating Lease Basis:

   Gross Block as at March 31, 2017 - ₹7.02 crore (previous year - ₹6.68 crore and April 01, 2015 - ₹6.68 crores)

   Accumulated Depreciation for the year: ₹0.43 crore (previous year - ₹0.37 crore and April 01, 2015 ₹0.31 crore)

   Net Block as at March 31, 2017 - ₹6.59 crores (previous year - ₹6.31 crores and April 01, 2015 - ₹6.36 crores)

k) Plant and machinery includes tanks given on operating lease basis::

   Gross Block as at March 31, 2017 - ₹8.71 crore (previous year - ₹8.71 crore and April 01, 2015 - ₹8.71 crores)

   Accumulated Depreciation for the year: ₹1.46 crore (previous year - ₹1.05 crore and April 01, 2015 ₹0.65 crore)

   Net Block as at March 31, 2017 - ₹ 7.25 crores (previous year - ₹7.66 crores and April 01, 2015 - ₹8.06 crores)

l) Leasehold land includes 38 hectare of forest land amounting to ₹4.42 crore allotted to the Company by Ministry of Environment and Forests.

m) GIDC has allotted 11.70 hectare of land on right to use basis for the period of 10 years for developing facilities for the project having gross value of ₹0.97 crore (previous year ₹0.97 Crore).

n) Plant and Machinery includes electrical installation of ₹20.50 Crore and accumulated depreciation of ₹4.76 Crore (previous year ₹20.50 Crore and accumulated depreciation of ₹3.61 Crore) for setting up of 66 kVA infrastructure facilities for providing power connection to the port facilities.

o) The company had been allotted 11.53 hectares of GIDC land and 13.57 hectare land on operating lease for development of port infrastructure.

p) The amount of borrowing costs capitalised during the year ended March 31, 2017 was ₹31.65 Crore (previous year ₹12.70 Crore). The rate used to determine the amount of borrowing costs eligible for capitalisation was ranging from 2.85% to 11%, which is the effective interest rate of the specific borrowing.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

Note 3(a) Property Plant and Equipment (contd.)

q) The Company had reclaimed total 230 hectares of land for its port activities. The Company had developed these land area through dredging activities and an amount of ₹19.59 Crore (previous year ₹19.59 Crore) is capitalized as leasehold land development.

r) Plant and machinery includes construction equipments of Gross value of ₹0.10 Crore (previous year ₹0.10 Crore) and accumulated depreciation of ₹0.02 Crore (previous year ₹0.03 Crore). Buildings, Roads and Civil Infrastructure includes temporary erection i.e. site office of the value of ₹3.14 Crore (previous year ₹3.14 Crore) and accumulated depreciation of ₹3.14 Crore (previous year ₹3.14 Crore), which are mainly used for construction activities.

s) Plant and machinery includes Electrical Installation of ₹134.50 Crore (previous year ₹134.98 Crore) and accumulated depreciation of ₹36.23 Crore (previous year ₹23.05 Crore).

t) The Company also provide liquid cargo storage facilities on long term lease basis. Such assets are classified as part of Plant and Machinery.

Note 3(b) Intangible Assets

(₹ in crore)

Particulars	Software	Railway Licence Fee	Port Infra structure Rights	Right of use of land	Total	Goodwill
Cost						
As at April 1, 2015 (refer note 47.1 (b))	**21.24**	**31.25**	**1,683.28**	**21.56**	**1,757.33**	**2,646.86**
Additions	7.08	-	10.64	-	17.72	-
Deductions/Adjustment	-	-	99.16	-	99.16	(2.28)
Exchange difference	-	-	7.28	-	7.28	-
As at March 31, 2016	**28.32**	**31.25**	**1,800.36**	**21.56**	**1,881.49**	**2,644.58**
Additions	23.61	-	5.68	-	29.29	25.81
Deductions/Adjustment	-	-	132.26	-	132.26	-
Exchange difference	(0.15)	-	(5.16)	-	(5.31)	-
As at March 31, 2017	**51.78**	**31.25**	**1,933.14**	**21.56**	**2,037.73**	**2,670.39**
Depreciation/amortisation						
As at April 1, 2015					-	
Depreciation for the year	7.40	2.50	98.40	1.15	109.45	-
As at March 31, 2016	**7.40**	**2.50**	**98.40**	**1.15**	**109.45**	**-**
Depreciation for the year	8.20	2.50	103.77	1.15	115.62	-
Deductions/Adjustment	-	-	(1.19)	-	(1.19)	-
As at March 31, 2017	**15.60**	**5.00**	**200.98**	**2.30**	**223.88**	**-**
Net Block						
As at March 31, 2017	36.18	26.25	1,732.16	19.26	1,813.85	2,670.39
As at March 31, 2016	20.92	28.75	1,701.96	20.41	1,772.04	2,644.58
As at April 1, 2015	21.24	31.25	1,683.28	21.56	1,757.33	2,646.86

Note 3(c) Capital Work in Progress

(₹ in crore)

Particulars	Amount
As at March 31, 2017	4,513.97
As at March 31, 2016	1,966.76
As at April 01, 2015	1,086.93

refer note 36 for break up of cost of significant component in Capital Work in Progress

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

4 NON CURRENT INVESTMENTS

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Trade Investments			
Unquoted			
In Equity Shares of Company (Investment at fair value through OCI) (refer note (c) below)			
5,00,00,000 (previous year 5,00,00,000 and April 01, 2015 - 5,00,00,000) fully paid Equity Shares of ₹10 each of Kutch Railway Company Limited.	200.00	188.15	167.05
1,73,30,000 (previous year - 1,73,30,000 and April 01, 2015 - 1,73,30,000) fully paid Equity Shares of ₹10 each of Bharuch Dahej Railway Company Limited.	24.25	32.92	31.19
5,50,000 (previous year 5,50,000 and April 01, 2015 - Nil) fully paid Equity Share of ₹10 each of Mundra Solar Technopark Private Limited	0.94	0.88	-
1,000 (previous year 1,000 and April 01, 2015 - 1,000) fully paid Equity Shares of AUD 1 each of Mundra Port Pty Ltd.	-*	-*	-*
Total FVTOCI Investment	**225.19**	**221.95**	**198.24**
In equity shares of Jointly Controlled Entities (valued at cost)			
31,02,01,040 (previous year 31,02,01,040 and April 01, 2015 - 31,02,01,040) fully paid Equity Shares of ₹10 each of Adani International Container Terminal Private Limited (refer note e)	-	-	-
3,03,95,000 (previous year 3,03,95,000 and April 01, 2015 -3,03,95,000) fully paid Equity Shares of ₹10 each of Adani CMA Mundra Terminal Private Limited (refer note d)	27.13	36.54	31.29
Non Trade Investment (valued at cost unless stated otherwise)			
Investment in Debenture (Valued at amortised cost)			
NIL (previous year 15,000 and April 01, 2015 - NIL) 10.25% Non-Convertible Redeemable Debenture of ₹1,00,000 each of RBL Bank Limited	-	150.00	-
In Government Securities (valued at amortised cost)			
National Savings Certificates (Lodged with Government Department) & others	0.01	0.01	0.01
	252.33	**408.50**	**229.54**

* Figures being nullified on conversion to ₹ in crore.

Notes:

a) Aggregate cost of unquoted investments as at March 31, 2017 ₹252.33 crore (previous year - ₹408.50 crore and April 01, 2015 ₹229.54 crore).

b) 1,000 fully paid equity shares (previous year - 1,000 and April 01, 2015 -1,000) of Mundra Port Pty Ltd. (Refer note 38(v)) has been pledged with banks against borrowings by the respective entity.

c) Reconciliation of Fair value measurement of the investment in unquoted equity shares

(₹ in crore)

	March 31, 2017	March 31, 2016
Opening Balance	221.95	198.24
Add : Investment made during the year	-	0.55
Fair value Gain /(Loss) recognised in Other comprehensive income	3.24	23.16
Closing Balance	**225.19**	**221.95**

d) Investment in equity shares of jointly controlled entity Adani CMA Mundra Terminal Private Limited ("ACMPTL") include deemed investment of ₹4.48 crore (previous year ₹4.48 crore and April 01, 2015 - Nil) arising from financial guarantee given to banks for the loans taken by ACMPTL.

e) Carrying value of the investment is NIL due to elimination of unrealised profits from intra-group transactions.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

5 TRADE RECEIVABLES (UNSECURED, UNLESS OTHERWISE STATED)

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Trade Receivable						
- Considered Good	13.63	22.00	82.72	1,675.12	1,200.48	1,243.55
- Considered Doubtful	-	-	-	25.06	20.93	7.86
Receivable from related parties, unsecured considered good (refer note 32)	-	-	356.14	1,017.87	1,235.61	522.32
	13.63	**22.00**	**438.86**	**2,718.05**	**2,457.02**	**1,773.73**
Less : Allowances for Doubtful debts	-	-	-	(25.06)	(20.93)	(7.86)
	13.63	**22.00**	**438.86**	**2,692.99**	**2,436.09**	**1,765.87**
Other Trade Receivable	13.63	22.00	438.86	1,964.76	1,936.58	1,316.20
Customer Bill Discounted	-	-	-	728.23	499.51	449.67
Total Trade Receivable	**13.63**	**22.00**	**438.86**	**2,692.99**	**2,436.09**	**1,765.87**

Notes:

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

b) Generally, as per credit terms trade receivable are collectable within 30-180 days although the Company provide extended credit period with interest between 8% to 10% considering business and commercial arrangements with the customers including with the related parties. Receivable of ₹7.91 crore (previous year ₹16.09 crore and April 01, 2015 ₹35.52 crore) are contractually collectable on deferred basis.

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

The relevant carrying amounts are as follows: (₹ in crore)

	March 31, 2017	March 31, 2016	April 01, 2015
Total transferred receivables	728.23	499.51	449.67
Associated unsecured borrowing (refer note 17)	728.23	499.51	449.67

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

6 LOANS (UNSECURED UNLESS OTHERWISE STATED)

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Loans and Advance to jointly controlled entities						
Considered Good (also refer note 32)	759.32	-	-	34.32	-	84.00
Loans and Advance to Other Related Parties						
Considered Good (also refer note 32)	-	1,354.51	-	0.40	1,169.60	2,134.00
Loans to others (refer note below)						
Considered Good	-	1,559.43	51.14	1,747.90	398.25	1,273.16
	759.32	**2,913.94**	**51.14**	**1,782.62**	**1,567.85**	**3,491.16**

Notes:

The Group has granted interest bearing loans in the nature of inter-corporate loans and deposits aggregating ₹ Nil crore (previous year ₹2,200.25 crore and April 01, 2015 ₹2,133.73 crore) (including renewals on due dates) as at March 31, 2017 to its related parties, excluding loans /deposits granted towards funding of development of specific ports and related infrastructure. The funds are advanced based on the business needs and exigencies and other cases to invest surplus fund or gave loans / deposits to avail future commercial benefits with an option to purchase underlying assets.

Further, the Group has also extended inter-corporate deposits aggregating ₹1,345.14 crore (previous year ₹1,217.37 crore and April 01, 2015 ₹1,261.35 crore) (Including renewals on due dates) to third parties. The deposits are given at prevailing market interest rates. The inter-corporate deposits have been approved by the Finance committee of the Board of Directors .

The Group has received adequate undertaking on record by its promoters' company to safeguard the full recovery of this amount together with the interest. In the opinion of the Group, all these loans /deposits are considered good and realisable as at the year end.

7 OTHER FINANCIAL ASSETS

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Security deposits (unsecured, considered good) (refer note 32)	177.14	1,215.18	285.49	372.80	110.27	25.46
Loans and Advances to Employees	2.42	2.11	1.85	3.25	2.51	2.37
Advance against Equity Investment (refer note 31)	-	302.00	-	-	-	-
Land Lease Receivable (refer note 20 (c))	592.52	472.20	198.96	2.87	2.59	2.21
Bank Deposit with original maturity of more than twelve months and margin money deposits (refer note 11)	50.32	132.97	26.38	-	-	-
Interest Accrued (refer note 32)	3.15	1.81	70.56	422.09	357.22	214.26
Non Trade receivable	-	-	2.76	9.21	13.07	31.48
Receivables against sale of investment (refer note 38(v))	-	-	-	85.13	87.54	81.62
Derivatives not designated as Hedges / Forward Contracts Receivable	6.50	-	-	99.66	25.56	-
Financial Guarantee Received	8.74	13.10	17.22	-	-	-
Others	-	-	-	9.21	1.18	3.23
Gratuity Assets (refer note 29)	-	-	-	2.40	0.02	0.38
	840.79	**2,139.37**	**603.22**	**1,006.62**	**599.96**	**361.01**

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

8 OTHER ASSETS

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Capital advances (refer note 32)						
Secured, considered good	3.35	151.21	83.36	-	-	-
Unsecured, considered good	831.46	641.52	249.98	-	-	-
Unsecured, doubtful	10.59	5.74	-	-	-	-
	845.40	**798.47**	**333.34**	**-**	**-**	**-**
Less: Allowances for doubtful advances	(10.59)	(5.74)	-	-	-	-
	834.81	**792.73**	**333.34**	**-**	**-**	**-**
Balance with Government Authorities	210.67	126.79	100.98	165.70	168.63	137.21
Prepaid Expenses	65.66	73.88	83.42	93.38	11.00	9.24
Deposits given (unsecured, considered good)	115.05	-	-	-	-	-
Accrued Income	-	-	-	240.95	236.93	305.35
Advances recoverable in cash or in kind or for value to be received (refer note 32)	25.19	33.12	4.75	481.15	412.57	99.73
Project work in progress (refer note 9)	935.17	682.75	123.06	-	-	-
Other Assets (also refer note 2.3 (f))	-	-	-	451.09	-	-
Taxes recoverable (net of provision) (refer note 26)	66.01	80.43	80.64	-	-	-
	2,252.56	**1,789.70**	**726.19**	**1,432.27**	**829.13**	**551.53**

Notes:

a) Capital advance includes ₹82.33 crore (previous year ₹74.28 and April 01,2015 ₹65.95 crore) paid to various private parties and government authorities towards purchase of land.

b) The Group has received bank guarantees of ₹3.35 crore (previous year ₹151.21 crore and April 01, 2015 ₹83.36 crore) against capital advances.

9 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Stores and Spares, Fuel and Lubricants.	-	-	-	268.09	211.89	256.85
Project work in progress (refer note 42(b) and (c))	935.17	682.75	123.06	389.00	-	-
	935.17	**682.75**	**123.06**	**657.09**	**211.89**	**256.85**
Amount disclosed under non-current assets (refer note 8)	(935.17)	(682.75)	(123.06)	-	-	-
	-	**-**	**-**	**657.09**	**211.89**	**256.85**

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

10 CURRENT INVESTMENTS

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Unquoted mutual funds (valued at fair value through profit and loss)			
NIL (previous year 91,03,405.584 units and April 01, 2015 NIL) of ₹10 each in DSP Black Rock Ultra Short term fund Direct Plan Growth	-	10.00	-
85,663.86 units (previous year 2,57,28,677.21 units and April 01, 2015 NIL) of ₹10 each in JM High Liquidity Fund (Direct) -growth option Direct Plan Growth	0.38	106.61	-
NIL (previous year 77,08,317.274 units and April 01, 2015 NIL) of ₹10 each in LIC NOMURA MF Income Plus Fund - Direct - Growth Plan	-	15.00	-
NIL (previous year 23,812.968 units and April 01,2015 NIL) of ₹10 each in Reliance Liquid Fund Treasury Plan Direct growth Plan	-	5.00	-
NIL (previous year 355.93 units and April 01, 2015 Nil) of ₹10 each in Reliance Money Manager Fund - Direct growth plan	-	0.07	-
NIL (previous year NIL and April 01, 2015 - 23,812.968 units) of ₹10 each in Reliance Liquid Fund Treasury Plan Direct growth Plan	-	-	20.02
NIL (previous year NIL and April 01, 2015 -9,98,496.517 units) of ₹10 each in Birla Sun Life Cash Plus Daily Div - Direct Plan - Reinvest	-	-	10.00
NIL (previous year NIL and April 01, 2015-12,79,728.144 units) of ₹10 each in ICICI Prudential Liquid Direct Plan-Daily Dividend	-	-	12.80
NIL (previous year NIL and April 01, 2015 -49,998.666 units) of ₹10 each in Pramerica Liquid Fund Direct Plan - Daily Dividend – Reinvest	-	-	5.00
NIL (previous year NIL and April 01, 2015 - 14,95,641.577 units) of ₹10 each in SBI Premier Liquid Fund Direct Plan - Daily Dividend	-	-	150.06
NIL (previous year NIL and April 01, 2015 -16,94,771.63 units) of ₹10 each in Sundaram Money Fund Direct Plan-Growth	-	-	5.00
2,50,000 (previous year NIL units and April 01,2015 NIL) of ₹10 each in HDFC Mutual Fund	0.25	-	-
34,465.76units (previous year NIL units and April 01, 2015 NIL) of ₹10 each in SBI Premier Liquid Fund - Direct Plan - Growth	8.80	-	-
1,92,462.18 units (previous year NIL units and April 01, 2015 NIL) of ₹10 each in Birla Sun Life Cash Plus - Growth-Direct Plan	5.11	-	-
Investment in Commercial Papers (CP) (Valued at Amortised Cost)			
Commercial Papers of ECAP Equities Limited	465.84	-	-
Commercial Papers of L &T Finance Limited	251.65	-	-
Investment in Debentures (Valued at Amortised Cost)			
1,770 (previous year NIL units and April 01, 2015 NIL) 8.75 % Non-Convertible Redeemable Debenture of ₹10,00,000 each of JM Financial Products Limited	177.00	-	-
	909.03	**136.68**	**202.88**
Aggregate carrying value of unquoted Mutual Funds	14.54	136.68	202.88
Aggregate net assets value of unquoted Mutual Funds	14.54	136.68	202.88
Aggregate carrying value of unquoted investment in Commercial Papers and Debentures	894.49	-	-

Note:- Investments in commercial papers of ECAP Equities Limited and L&T Finance Limited and debentures of JM Financial Products Limited are A1+ and AA/Stable rated instruments, respectively.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

11 CASH AND BANK BALANCES

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Cash and cash equivalents						
Balance in current account	-	-	-	915.05	585.13	129.40
Deposits with original maturity of less than three months	-	-	-	35.12	106.31	314.66
In Current Account (earmarked for Unpaid Dividend) /share application Refund	-	-	-	0.82	1.50	1.04
Cheque on hand	-	-	-	-	150.00	-
Cash on hand	-	-	-	0.04	0.06	0.13
	-	**-**	**-**	**951.03**	**843.00**	**445.23**
Other bank balances						
Bank Deposit with original maturity of more than 12 months	-	106.94	26.09	-	-	-
Deposits with original maturity over 3 months but less than 12 months	-	-	-	1,015.07	406.01	72.82
Margin Money deposits	50.32	26.03	0.29	10.70	29.23	75.47
	50.32	**132.97**	**26.38**	**1,025.77**	**435.24**	**148.29**
Amount disclosed under Non- Current Financial Assets (refer note 7)	(50.32)	(132.97)	(26.38)	-	-	-
	-	**-**	**-**	**1,025.77**	**435.24**	**148.29**

Note: Margin Money and Fixed Deposit includes ₹61.02 crore (previous year ₹55.26 crore and April 01, 2015 ₹75.76 crore) pledged / lien against bank guarantees, letter of credit and other credit facilities.

12 EQUITY SHARE CAPITAL

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Equity share capital			
Authorized shares			
4,97,50,00,000 (previous year 4,97,50,00,000 and April 01, 2015 4,97,50,00,000) Equity Shares of ₹2 each	995.00	995.00	995.00
	995.00	**995.00**	**995.00**
Issued, subscribed and fully paid-up share capital			
2,07,09,51,761 (previous year 2,07,09,51,761 and April 01, 2015 2,07,00,51,620) fully paid up Equity Shares of ₹2 each.	414.19	414.19	414.01
Total Issued, subscribed and fully paid-up share capital	**414.19**	**414.19**	**414.01**

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

12 EQUITY SHARE CAPITAL (contd.)

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

Equity Shares	March 31, 2017		March 31, 2016	
	No	₹ In Crore	No	₹ In Crore
At the beginning of the year	2,07,09,51,761	414.19	2,07,00,51,620	414.01
Add- Issued during the year (refer note 44 (b))	-	-	1,55,32,61,781	310.65
Less- Cancelled during the year (refer note 44(b))	-	-	(1,55,23,61,640)	(310.47)
Outstanding at the end of the year				
	2,07,09,51,761	**414.19**	**2,07,09,51,761**	**414.19**

Note: Terms/rights attached to equity shares

(i) The Company has only one class of equity share having par value of ₹2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

(ii) For the current financial year 2016-17, the Company has proposed dividend per share to equity shareholder of ₹1.30 (declared for the previous financial year interim dividend per share ₹1.10)

(iii) 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.

b) During the year ended March 31, 2016, the Company had given effect of composite scheme of arrangement w.e.f. April 01, 2015 as per sanction of Honorable High Court of Gujarat and filing of scheme with Registrar of Companies. In accordance with the terms of the scheme of arrangement, the Company has issued new equity shares to the equity shareholders of Adani Enterprises Limited ("AEL") in the ratio of 14,123 equity shares having face value of ₹2 each for every 10,000 equity shares with a face value of ₹1 held by each of the equity shareholders of AEL on June 08, 2015 without payment being received in cash (refer note 44(b)).

c) Equity Component of convertible preference share

Equity Shares	March 31, 2017		March 31, 2016	
	No	₹ In Crore	No	₹ In Crore
At the beginning of the year	28,11,037	165.88	28,11,037	165.88
Outstanding at the end of the year	**28,11,037**	**165.88**	**28,11,037**	**165.88**

Terms of Non-cumulative redeemable preference shares

The Company has outstanding 2,811,037 0.01 % Non-Cumulative Redeemable Preference Shares ('NCRPS') of ₹10 each issued at a premium of ₹990.00 per share. Each holder of preference shares has a right to vote only on resolutions placed before the company which directly affects the right attached to preference share holders. These shares are redeemable on March 28, 2024 at an aggregate premium of ₹278.29 crore (equivalent to ₹990.00 per share).

In the event of liquidation of the Company, before redemption the holder of NCRPS will have priority over equity shares in the payment of dividend and repayment of capital. The preference shares carry fixed dividend which is non-discretionary.

Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit. Under Ind AS, the Preference Shares issued by the company classifies as Compound Financial Instrument. These non-convertible preference shares are separated into liability and equity components based on the terms of the contract. Interest on liability component is recognised as interest expense using the effective interest method. The equity component of convertible preference shares includes the securities premium amount received on issue of preference shares and the preference share capital, redemption premium reserve being created in compliance of the Companies Act, 2013.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

12 EQUITY SHARE CAPITAL (contd.)

d) Details of shareholders holding more than 5% shares in the company

Equity Shares	March 31, 2017		March 31, 2016		April 01, 2015	
	No	% Holding in the Class	No	% Holding in the Class	No.	% holding in the class
Equity shares of ₹2 each fully paid						
i) Gautambhai Shantilal Adani and Rajeshbhai Shantilal Adani (on behalf of S.B. Adani Family Trust)	87,73,17,807	42.36%	87,73,17,807	42.36%	-	-
ii) Adani Properties Private Limited	-	-	14,05,12,153	6.78%	-	-
iii) Parsa Kante Rail Infra LLP	14,05,12,153	6.78%	-	-	-	-
iv) Vinodbhai Shantilal Adani			13,07,94,953	6.32%	-	-
v) Adani Enterprises Limited	-	-	-	-	1,55,23,61,640	74.99%
Non-Cumulative Redeemable Preference Shares of ₹10 each fully paid up						
Gujarat Ports Infrastructure and Development Co. Ltd.	3,09,213	11.00%	3,09,213	11.00%	3,09,213	11.00%
Priti G. Adani	5,00,365	17.80%	5,00,365	17.80%	5,00,365	17.80%
Shilin R. Adani	5,00,364	17.80%	5,00,364	17.80%	5,00,364	17.80%
Pushpa V. Adani	5,00,365	17.80%	5,00,365	17.80%	5,00,365	17.80%
Ranjan V. Adani	5,00,455	17.80%	5,00,455	17.80%	5,00,455	17.80%
Suvarna M. Adani	5,00,275	17.80%	5,00,275	17.80%	5,00,275	17.80%
	28,11,037	**100.00%**	**28,11,037**	**100.00%**	**28,11,037**	**100.00%**

13 OTHER EQUITY

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Equity Component of convertible preference share		
Opening Balance	165.88	165.88
Closing Balance	**165.88**	**165.88**
Equity Securities Premium		
Opening Balance	2,535.70	2,644.12
Bond issue expense (refer note below)	-	(39.75)
Premium paid on buy back of debentures (refer note below)	-	(42.38)
Cost Incurred on issue of Debenture (refer note below)	-	(6.49)
Difference between Issue price and face value of bond (refer note below)	-	(19.80)
Closing Balance	**2,535.70**	**2,535.70**

Notes:

i) Securities premium reserve is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of section 52(2)(c) of the Companies Act, 2013.

ii) During the pervious year the Securities Premium account is adjusted by aggregating amount of ₹59.55 crore being the difference between the issue price and the face value of the US Dollar denominated Notes and the expenses related to issue of such Notes (USD 650 million) in terms of section 52 (2)(c) of the Companies Act, 2013 (refer note 14 (t)(i))

iii) During the pervious year the Securities Premium account is adjusted by aggregating amount of ₹48.87 crores in terms of section 52(2)(c) of the Companies Act, 2013 towards premium on early redemption of debentures and towards debenture issue expenses.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

13 OTHER EQUITY (contd.)

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
General Reserve		
Opening Balance	1,623.22	1,320.54
Add- Transfer from Debenture Redemption Reserve	518.33	275.88
Add- Excess of net assets taken over under scheme of arrangement (refer note 44(b))	-	26.80
Closing Balance	**2,141.55**	**1,623.22**
Debenture Redemption Reserve		
Opening Balance	638.88	399.38
Add: transferred from surplus balance in the statement of profit and loss	355.66	515.38
Less: transferred to General Reserve	(518.33)	(275.88)
Closing Balance	476.21	638.88
Note: The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. Though the DRR is required to be created over the life of debentures, the Company has upfront created DRR out of retained earnings.		
Tonnage Tax Reserve		
Opening Balance	-	-
Add: transferred from surplus balance in the statement of profit and loss	3.30	-
Closing Balance	**3.30**	**-**
Foreign Currency Monetary Item Translation Difference Account		
Opening Balance	(261.72)	(202.70)
Add : foreign currency Gain / (Loss) during the year	62.70	(160.84)
Less : amortised in statement of profit and loss	125.20	101.82
Closing Balance	**(73.82)**	**(261.72)**
Note: Exchange differences arising on other outstanding long term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. March 31, 2016 are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" (FCMITDA) and amortized over the remaining life of the concerned monetary item.		
Retained Earnings		
Opening Balance	8,253.81	6,422.49
Add : Profit for the year	3,911.52	2,897.16
Less : Dividend paid	-	(455.51)
Less : Dividend distribution tax paid	-	(92.74)
Less :Transfer to Debenture Redemption reserve	(355.66)	(515.38)
Less :Transfer to Tonnage Tax Reserve	(3.30)	-
Less : Loss on Acquisition	(87.35)	-
Add / (Less) : Remeasurement gains / (losses) on defined benefit plans (net of tax)	3.40	(2.21)
Closing Balance	**11,722.42**	**8,253.81**
Other Comprehensive Income		
Opening Balance	135.53	116.76
Add : Change in fair value of FVTOCI Equity instruments (net of tax)	5.02	18.77
Closing Balance	**140.55**	**135.53**
Total Other Equity	**17,111.79**	**13,091.30**

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

13 OTHER EQUITY (contd.)

Distribution made and proposed (₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Cash Dividend on Equity Share declared and paid			
a) Interim Dividend for the year ended March 31, 2016 (₹1.10 per share)	-	227.80	-
Dividend Distribution Tax	-	46.38	-
b) Final Dividend for the year ended March 31, 2015 (₹1.10 per share)	-	227.71	-
Dividend Distribution Tax	-	46.36	-
c) Final Dividend for the year ended March 31, 2014 (₹1.00 per share)	-	-	213.67
Dividend Distribution Tax	-	-	36.31
	-	**548.25**	**249.98**
Proposed Dividend on Equity Shares			
a) Final Dividend for the year ended March 31, 2017 (₹1.30 per share)	269.22	-	-
Dividend Distribution Tax	54.81	-	-
b) Final Dividend for the year ended March 31, 2015 (₹1.10 per share)	-	-	227.71
Dividend Distribution Tax	-	-	46.36
	324.03	**-**	**274.07**
Cash Dividend on Preference Share declared and paid			
Dividend @ 0.01 % on Non-Cumulative Redeemable Preference Shares	*-	*-	*-
Dividend Distribution Tax	*-	*-	*-
Proposed Dividend on Preference Shares			
Dividend @ 0.01 % on Non-Cumulative Redeemable Preference Shares	*-	*-	*-
Dividend Distribution Tax	*-	*-	*-

*- Figure nullified in conversion of ₹ in crore

Proposed dividend on equity shares are subject to approval at Annual General Meeting and are not recognised as a liability (including dividend distribution tax thereon).

14 LONG TERM BORROWINGS

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Debentures						
2,520 (previous year NIL and April 01, 2015 -NIL) 9.35% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured. (Redeemable on July 04, 2026)	251.19	-	-	-	-	-
10,000 (previous year NIL and April 01, 2015 -NIL) 8.22% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured. (Redeemable ₹333.30 crore on March 07, 2025, ₹333.30 crore on March 07, 2026 and ₹333.40 crore on March 08, 2027)	1,000.00	-	-	-	-	-

14 LONG TERM BORROWINGS (contd.)

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
13,000 (previous year NIL and April 01, 2015 -NIL) 8.24% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured. (Redeemable ₹433.30 crore on November 29, 2024, ₹433.30 crore on November 29, 2025 and ₹433.40 crore on November 27, 2026)	1,300.00	-	-	-	-	-
2,000 (previous year NIL and April 01, 2015 -NIL) 9.35% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured. (Redeemable ₹100 crore on May 26, 2023 and ₹100 crore on May 27, 2026)	197.79	-	-	-	-	-
4,940 (previous year 4,940 and April 01, 2015 - 9,890) 10.50% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured (Redeemable at three annual equal instalments commencing from February 25, 2021. During the year ended March 31, 2016 ₹495 crore has been redeemed before maturity.	494.00	494.00	980.28	-	-	-
9,000 (previous year 9,000 and April 01, 2015 NIL) 9.05% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured (Redeemable ₹750 crore on April 18, 2019 and ₹150 crore on May 22, 2019)	900.00	900.00	-	-	-	-
5,000 (previous year NIL and April 01, 2015 -NIL) 9.05% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured. (Redeemable on April 10, 2019)	496.66	-	-	-	-	-
5,000 (previous year NIL and April 01, 2015 -NIL) 9.05% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured. (Redeemable ₹250 crore on June 18, 2018 and ₹250 crore on September 18, 2018)	498.87	-	-	-	-	-
2,111 (previous year 5,000 and April 01, 2015 NIL) 9.15% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured (Redeemable on April 28, 2017). During the year ended March 31, 2017, ₹288.90 crore has been redeemed before maturity.	-	500.00	-	211.10	-	-
1,106 (previous year 4,900 and April 01, 2015 - 5,100) 10.15% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured (Redeemable at 3 semi annual equal instalments commencing from September 16, 2016. During the year ended March 31, 2017 ₹59.40 crore has been redeemed before maturity (previous year ₹20.00 crore)	-	169.49	509.19	110.60	320.00	-
NIL (previous year 5,000 and April 01, 2015- 5,000) 9.60% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured (Redeemed at par on June 20, 2016).	-	-	500.00	-	500.00	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

14 LONG TERM BORROWINGS (contd.)

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
NIL (previous year 4,000 and April 01, 2015 -10,000) 9.80% Secured Non Convertible Redeemable Debenture of ₹10,00,000 each Secured (Redeemed at par ₹400 crore on June 18, 2016).	-	-	400.00	-	400.00	600.00
NIL (previous year 2,000 and April 01, 2015 -5,000) 10.05% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured (Redeemed at par ₹200 crore on June 15, 2016).	-	-	199.64	-	200.00	300.00
950 (previous year 1,700 and April 01, 2015 -7,750) 10.50% Non Convertible Redeemable Debenture of ₹10,00,000 each Secured (Redeemable at 40 quarterly equal instalments commencing from December 27, 2012, 32 instalments paid till March 31, 2017).	48.68	93.64	570.12	45.00	55.00	64.00
Preference shares						
Liability Component of Compound Financial Instrument - 0.01% Redeemable Preference Shares (unsecured) (refer note 12(c))	84.12	77.17	70.80	-	-	-
Term loans						
Foreign currency loans:						
From banks (secured)	1,411.46	6,719.56	6,261.77	323.48	587.27	949.47
From banks (unsecured)	2,010.90	1,964.06	14.75	229.75	335.45	3.69
From Other financial institutions (secured)	28.56	43.18	232.73	13.56	13.05	49.01
3.50% Foreign Currency Bond priced at 195 basis points over the 5 years US Treasury Note (unsecured)	4,215.25	4,306.58	-	-	-	-
3.95% Foreign Currency Bond priced at 189 basis points over the 5 years US Treasury Note (unsecured)	3,207.56	-	-	-	-	-
Rupee loans:						
From banks (secured)	458.81	542.57	2,454.33	24.81	18.37	169.39
From Other financial institutions (secured)	-	-	1,125.00	-	-	-
From Others (unsecured)	4.14	4.84	3.33	-	-	-
Suppliers bills accepted under foreign currency letters of credit						
From banks (secured)	554.51	-	-	0.60	210.57	171.60
From banks (unsecured)	830.74	4.58	-	-	248.83	15.80
	17,993.24	**15,819.67**	**13,321.94**	**958.90**	**2,888.54**	**2,322.96**
The above amount includes						
Secured borrowings	7,640.53	9,462.44	13,233.06	729.15	2,304.26	2,303.47
Unsecured borrowings	10,352.71	6,357.23	88.88	229.75	584.28	19.49
Amount disclosed under the head Current Financial Liabilities (refer note 15)	-	-	-	(958.90)	(2,888.54)	(2,322.96)
	17,993.24	**15,819.67**	**13,321.94**	**-**	**-**	**-**

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

14 LONG TERM BORROWINGS (contd.)

Notes:

a.) Debentures include Secured Non-Convertible Redeemable Debentures amounting to ₹2,410.15 crore (previous year ₹2,583.49 crore and April 01, 2015 ₹1989.10 crore) are secured by first Pari-passu charge on all the immovable and movable assets of Multi-purpose Terminal, Terminal-II and Container Terminal –II project assets and specific charge over land (valued at market value)

b.) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹93.68 crore (previous year ₹148.64 crore and April 01, 2015 ₹634.13 crore) are secured by exclusive mortgage and charge on entire Single Point Mooring (SPM) facilities serving Indian Oil Corporation Limited - Mundra and the first charge over receivables from Indian Oil Corporation Limited.

c.) (i) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to NIL (previous year ₹400.00 crore and April 01, 2015 ₹1,000.00) are secured by first specific charge over 138 hectares land situated at Navinal Island, Mundra Taluka Kutch District, Gujarat (valued at market value).

(ii) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to NIL (previous year ₹500.00 crore and April 01, 2015 ₹500.00) are secured by first specific charge over 79 hectares land situated at Mundra Taluka, Kutch District, Gujarat (valued at market value).

d.) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹1,750.06 crore (previous year NIL and April 01, 2015 NIL) are secured by first pari-passu charge on all the movable and immovable assets pertaining to coal terminal project assets at Wandh.

e.) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹1,300 crore (previous year NIL and April 01, 2015 NIL) are secured by first pari-passu charge on specified assets of certain subsidiary companies arrangements as per Debenture Trust Deed.

f.) Foreign currency loan aggregating to ₹168.38 crore (previous year ₹233.37 crore and April 01, 2015 ₹255.84 crore) carries interest @ 6 months Euribor plus basis point in the range of 95 to 140. Further, out of the above loan is repayable in 11 Semi-annual instalment of ₹15.31 crore from the balance sheet date. The loan is secured by exclusive charge on the Dredgers procured under the facility.

g.) Foreign Currency loan aggregating to NIL crore (previous year ₹16.40 crore and April 01, 2015 ₹30.45 crore) carries interest @ 6 months libor plus 225 basis point. The loan is repaid during the year. The loan was secured by exclusive charge on the dredgers and is further secured by way of second pari passu charge on the entire movable and immovable assets pertaining to Multi purpose Terminal, Terminal-II and Container Terminal –II project assets and Single Point Mooring.

h.) Foreign currency loans aggregating to ₹75.13 crore (previous year ₹98.14 crore and April 01, 2015 ₹102.07 crore) carries interest @ 6 months Euribor plus 75 basis point. The loan is repayable in 10 semi annually equal instalments of approx. ₹7.51 crore from the balance sheet date. The loan is secured by exclusive charge on the Cranes purchased under the facility.

i.) Foreign Currency Loans from Banks aggregating to NIL (previous year NIL and April 01, 2015 ₹1,873.86 crore) was secured by the first pari passu charge on all the immovable and movable assets pertaining to Multi purpose terminal, Terminal II, Container Terminal II, project assets of the company and carry interest @ 3 to 6 Months libor plus basis point in range of 260 to 380. The Loan is repaid during the year 2015-16.

j.) Foreign currency Loans from bank aggregating to NIL (previous year NIL and April 01, 2015 ₹274.95 crore) was secured by first pari passu charge on all the movable and immovable assets pertaining to Coal terminal project assets at Wandh and carries interest @ 3 Months libor plus 330 basis point. The Loan is repaid during the year 2015-16.

k.) Foreign currency Loans from bank aggregating to NIL (previous year NIL and April 01, 2015 ₹1,850.42 crore) carries interest @ 3 months libor plus basis point in range of 310 to 370,These loans were secured by first pari passu charge on all the movable and immovable assets pertaining to Coal Terminal project assets at Wandh and specific charge over land admeasuring to 175 hectares situated at Mundra Taluka, Kutch district, Gujarat. The Loan is repaid during the year 2015-16.

l.) Foreign Currency Loans from banks aggregating to NIL (previous year ₹93.25 crore and April 01, 2015 ₹94.49 crore) carries interest @ 4.6% p.a. The Loan is repaid during the year. These loans were secured by exclusive charge on the Tug assets.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

14 LONG TERM BORROWINGS (contd.)

m.) Foreign currency loan aggregating to NIL (previous year ₹130.62 crore and April 01, 2015 ₹344.00 crore) carries interest @ 3 to 6 months Libor plus 310 basis point and 6 months Euribor plus a margin of 290 basis point. The loans were secured by first Pari-passu charge on all the immovable and movable assets of Multi purpose terminal, Terminal-II and Container Terminal –II project assets. The Loan is repaid during the year 2015-16 and 2016-17.

n.) Foreign currency Loans from bank aggregating to NIL (previous year ₹388.64 crore and April 01, 2015 ₹554.46 crore) is secured by first pari passu charge on all the movable and immovable assets pertaining to Coal terminal project assets at Wandh and carries interest @ 3 months Libor plus basis point in the range of 225 to 305. The Loan is repaid during the year 2015-16 and 2016-17.

o.) Foreign Currency Loan aggregating to ₹878.22 crore (previous year ₹1,001.17 crore and April 01, 2015 NIL) carries interest at 6 month libor plus 180 basis point. The Loan is repayable in 3 annual instalment of ₹206.64 crore and an instalment of ₹258.29 crore at balance sheet date. This loan is secured by first pari-passu charge on all the immovable and movable assets of Multi-purpose Terminal, Terminal-II and Container Terminal-II project assets.

p.) Rupee Term Loan from bank aggregating to NIL (previous year NIL and April 01, 2015 ₹102.00 crore) was secured by first pari passu charge on all the movable and immovable assets pertaining to Agripark project assets and carries interest @ 10.50% p.a. The loan was repaid during the year 2015-16.

q.) Rupee term loan amounting to NIL (previous year NIL and April 01, 2015 ₹448.93 crore) carrying interest rate at 11.45% p.a were secured by exclusive charge on land parcel of 90 hectares situated at Mundra Taluka Kutch District, Gujarat. The loan is repaid during the year 2015-16.

r.) Rupee term loan amounting to NIL (previous year NIL and April 01, 2015 ₹200.00 crore) carrying interest rate at 9.70% p.a was secured by first pari passu charge on Multi purpose Terminal, Terminal II and Container Terminal II .The Loan is repaid during the year 2015-16.

s.) Suppliers bills accepted under foreign currency letters of credit aggregating to ₹555.11 (previous year ₹82.65 and April 01, 2015 ₹121.59 crore) carries interest @ 3 to 12 months libor plus basis point in range of 16 to 215 and 6 to 12 months Euribor plus basis point in the rage of 30 to 35. Loan of ₹121.59 crore and ₹82.65 crore repaid on maturity during the year 2015-16 and 2016-17 respectively and ₹555.11 payable on maturity from 2017-18 to 2019-20. The loan was secured against exclusive charge on assets purchased under the facility.

t.) **Unsecured Loan**

(i) 5 years Foreign Currency Bond of USD 650 million equivalent to ₹4,215.25 crore (previous year ₹4,306.58 crore and April 01, 2015 NIL) carries interest @ 3.50 % p.a. with bullet repayment in the year 2020.

(ii) 5 years Foreign Currency Bond of USD 500 million equivalent to ₹3,207.56 crore (previous year NIL and April 01, 2015 NIL) carries interest rate at 3.95% p.a. with bullet repayment in the year 2022.

(iii) Foreign Currency loan NIL (previous year ₹993.83.crore and April 01, 2015 NIL) carries interest rate at 1.95% p.a. to 2.30 % for six months is paid during the year 2016-17.

(iv) Foreign Currency loan of ₹226.98 crores (previous year ₹231.89 crore and April 01, 2015 NIL) carries basis overnight libor plus 120 basis point repayable at maturity during the year 2017-18.

(v) Foreign Currency Loan aggregating to ₹1034.68 crore (previous year ₹1,057.10 crore and April 01, 2015 NIL) carries interest at 2.85% fixed for 18 months and than after 6 months Libor plus 2.2%. is repayment in the year 2021.

(vi) Foreign Currency Loan aggregating of ₹12.31 crore (previous year ₹16.69 crore and April 01, 2015 ₹18.44 crore) carry interest at 2.12 % p.a. The outstanding loan amount is repayable in 6 semi- annual equal instalment of ₹2.05 crore from the balance sheet date.

(vii) Suppliers bills accepted under foreign currency letters of credit aggregating to ₹31.47 crore (previous year ₹14.55 crore and April 01, 2015 NIL) carries interest at 6 months Libor plus basis point in range of 10 to 51 and 12 months Euribor plus basis point in the range of 35 to 75. Loan of ₹14.55 crore repaid on maturity in the year 2016-17 and ₹31.47 payable on maturity from 2017-18 to 2019-20.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

14 LONG TERM BORROWINGS (contd.)

(viii) Foreign currency loan aggregating to ₹483.45 crore (previous year NIL and April 01, 2015 NIL) carries interest 6 months Libor plus 204 basis point .The loan is repayable in 3 annual instalments of ₹128.92 crore, ₹161.15 crore and ₹193.38 crore from the balance sheet date.

(ix) Foreign currency loan aggregating to ₹483.23 crore (previous year NIL and April 01, 2015 NIL) carries interest 3 months Libor plus 200 basis point .The loan has bullet repayment in the year 2021.

u) **Term loan taken by the subsidiaries includes:**

i) Loans from bank including foreign currency term loan amounting of ₹156.79 crore (previous year ₹197.88 crore and April 01, 2015 ₹218.80 crore), rupee term loan of Nil (previous year Nil and April 01, 2015 ₹373.68 crore) are taken by Adani Petronet (Dahej) Port Private Limited and are secured on pari passu basis by first mortgage of all the immovable assets of the Company, both present and future and are further secured by hypothecation of movable assets, both present and future of the Company. Foreign currency loans carries interest in the range of Libor plus 285 to 295 basis point and is repayable in 38 to 40 quarterly instalments each along with interest. Rupee term loan was repaid during the year 2016-17.

The company has suppliers bills accepted under foreign currency letter of credit amounting to ₹4.73 crore (previous year ₹5.15 crore and April 01, 2015 ₹5.16 crore). Suppliers bills accepted under foreign currency letter of credit carries interest Euribor plus 30 basis points and repayable in the year 2018-19. This facility is availed out of the facility sanctioned to the Company.

ii) Foreign currency loans from banks amounting to ₹25.44 crore (previous year ₹91.52 crore and April 01, 2015 ₹135.18 crore) taken by Adani Logistics Limited are secured by equitable mortgage of immovable properties of the Company and first charge by way of hypothecation of all movable assets and intangible assets and assignment of book debt, revenues and receivable of the Company. The loan carries interest at 6M plus 325 basis point and is repayable on 36 quarterly instalment up to June 21, 2018.

Also, suppliers bills accepted under foreign currency letter of credit amounting to ₹1.10 crore (previous year ₹1.20 crore and April 01, 2015 ₹1.07 crore) carries interest @ Euribor + 45 basis points. This facility is availed out of the facility sanctioned to the Company.

iii) Foreign currency term loans from financial institutions amounting to ₹42.12 crore (previous year ₹56.23 crore and April 01, 2015 ₹75 crore) taken by Karnavati Aviation Private Limited carries interest @ of Libor plus 425 basis point. The Loan is repayable in 20 Half yearly instalments along with interest beginning from April 27, 2010. The loan is secured by hypothecation of Aircraft Challenger 605.

Foreign currency term loans from banks amounting to ₹113.01 crore (previous year ₹118.00 crore and April 01, 2015 ₹123.61 crore) taken by Karnavati Aviation Private Limited carries interest @ of Libor plus 324 basis point. The Loan is repayable in 28 Quarterly instalments along with interest beginning from May 30, 2013 . The loan is secured by hypothecation of Aircraft Legacy 650.

iv) Loans from banks taken by Adani Hazira Port Private Limited includes foreign currency loan amounting to ₹Nil crore (previous year ₹2,118.25 crore and April 01, 2015 ₹1,570.51 crore) and rupee term loans amounting to Nil (previous year Nil and April 01, 2015 ₹91.20 crore) and. Foreign currency loan carries interest in the range of Libor plus 2.05% p.a. to 2.6% p.a. and was repaid during the year and Indian rupee loan from bank carries interest @ 11% to 12% p.a. and was repaid during the year.

Suppliers bills accepted under foreign currency letter of credit amounting to ₹255.15 crore (previous year ₹169.75 crore and April 01, 2015 ₹Nil). Suppliers bills accepted under foreign currency letter of credit carries interest in the range of Libor plus 0.95% to 1.95% which is repayable on maturity. This facility is availed in current year is out of the facility sanctioned to the Company.

v) Loans from banks taken by Adani Murmugoa Port Terminal Private Limited includes rupee term loans amounting to ₹Nil (previous year ₹Nil and April 01, 2015 ₹154.26 crore). The term loan was repaid during year 2015-16. The term loan was secured by a first mortgage and charge on immovable property of the company and first charge by way of hypothecation of all movable assets, intangible assets, assignment of book debt, operating cash flows, revenues and receivables of project.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

14 LONG TERM BORROWINGS (contd.)

vi) Suppliers bills accepted under foreign currency letters of credit of Adani Vizag Coal Terminal Private Limited aggregating of ₹51.58 crore (previous year ₹48.64 crore and April 01, 2015 ₹Nil) carries interest of 6 Months Euribor plus 42 basis point and 3 Months Libor plus 95 basis point. Also, suppliers bills accepted under foreign currency letters of credit Nil (previous year ₹7.48 crores and April 01, 2015 ₹50.01 crore) carries interest at 12 Months Euribor plus 40 basis points and are secured on pari passu basis by first mortgage of all immovable assets of the Company, both present and future and are further secured by hypothecation of movable assets, both present and future of the Company. This facility is availed out of the facility sanctioned to the Company.

Indian Rupee loan amounting ₹Nil (previous year ₹Nil and April 01, 2015 ₹162.04 crore) carries interest @ I-Base plus 2.25% p.a. (spread). The loan is repaid during 2015-16.

vii) Loans from banks taken by The Dhamra Port Company Limited includes secured rupee term loan from banks amounting to ₹483.32 crore (previous year ₹560.54 crore and April 01, 2015 ₹1090.44) payable in 24 quarterly instalments starting from June 2016 to March 2022 carries interest @ 9.25%.

Secured foreign currency loans from banks amounting to ₹317.96 crore (previous year ₹2,813.98 crore and April 01, 2015 ₹Nil). The same carries interest @ Libor plus 2.30 % payable in 32 quarterly instalments starting from June 2018 to March 2026.

Secured Rupee loan from financial institutions amounting ₹Nil (previous year ₹Nil and April 01, 2015 ₹1,125 crore). The same carries interest @ Base Rate + 0.75% and was repaid during the previous year.

Suppliers bills accepted under foreign currency letters of credit amounting ₹151.20 crore (previous year ₹Nil and April 01, 2015 ₹Nil). The loan is unsecured and carries interest @ Libor plus 20 basis point. The loan is repayable after 90 days from the bill of lading date and renewable thereafter. This facility is availed out of the facility sanctioned to the Company.

Foreign Currency Loans & Rupee Term Loan are secured by a first pari passu charge on all immovable fixed assets (including lease hold properties), movable fixed 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) and also secured by pledge of shares representing 30% of the total equity paid up capital.

viii) Suppliers bills accepted under foreign currency letters of credit of Adani Kandla Bulk Terminal Private Limited aggregating of ₹10.12 crore (previous year ₹10.74 crore and April 01, 2015 ₹9.57 crore). The same carries interest in the range of 12M Euribor plus 30 basis point as well as 12M Libor plus 13 basis point. The loan is repayable on maturity in year 2017-18 and renewable thereafter. This facility is availed out of the facility sanctioned to the Company.

ix) Suppliers bills accepted under foreign currency letters of credit by Adani Ennore Container Terminal Private Limited aggregating to ₹325.39 crore (previous year ₹3.38 crore and April 01, 2015 Nil). The loan carries interest @ 6 Months Libor plus 38 basis points and are unsecured. This facility is availed out of the facility sanctioned to the Company.

x) Suppliers bills accepted under foreign currency letters of credit of Adani Vizhinjam Port Terminal Private Limited aggregating to ₹Nil (previous year ₹120.44 crore and April 01, 2015 ₹Nil) carries interest @ 6 Months Libor plus 0.38% and is secured on pari passu basis by first mortgage of all the immovable assets of the Company, both present and future and are further secured by hypothecation of movable assets, both present and future of the Company. This facility is availed out of the facility sanctioned to the Company.

xi) Term Loan from Banks taken by MPSEZ Utilities Private Limited aggregating to ₹0.30 crore (previous year ₹0.40 crore and April 01, 2015 ₹0.10 crore) are secured by way of hypothecation of Plant and Machinery of Company's transmission Business. The loan carries interest rate of Base Rate + 1% and is repayable in equal quarterly instalment after moratorium of 3 months. The tenure of loan is upto March 31, 2020.

xii) Loan taken by Adinath Polyfills Private Limited aggregating to ₹3.72 crore (previous year ₹4.45 crore and April 01, 2015 ₹3.36 crore) from its related parties. The same carries interest @ 6 % p.a. and is unsecured.

xiii) Loan taken by Abbot Point Operations Pty Limited aggregating to AUD 0.085 Mn (previous year AUD 0.075 Mn) from its related parties and the loan is unsecured, interest free and repayable on demand.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

15 OTHER FINANCIAL LIABILITIES

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Current maturities of long term borrowings (refer note 14)	-	-	-	958.90	2,888.54	2,322.96
Outstanding Derivatives	55.96	68.27	288.38	53.85	13.38	125.75
Capital creditors, retention money and other payable ((Includes outstanding due to MSME creditors ₹0.20 crore previous year ₹0. 10 crore and April 01, 2015 ₹0.07 crore)) (refer note 48)	5.35	0.37	-	714.44	418.87	295.72
Obligations under lease land (refer note (ii) below)	6.99	7.00	7.01	0.01	0.01	0.01
Unpaid Dividend #	-	-	-	0.82	1.50	1.04
Interest accrued but not due on borrowings	6.76	-	-	259.21	99.29	117.44
Deposit from Customer (refer note 32)	5.44	3.58	4.07	10.43	46.22	11.58
Share application money refundable	-	-	-	-	-	0.14
Financial Guarantees	12.53	20.13	24.59	-	-	-
	93.03	**99.35**	**324.05**	**1,997.66**	**3,467.81**	**2,874.64**

Not due for credit to "Investors Education & Protection Fund"

Notes:

i) For dues to related parties refer note 32

ii) Assets taken under Finance Leases – land for purposes of developing, constructing, operating and maintaining the Mundra Port and related infrastructure for providing services to the users in accordance with the terms of the concession agreement with Gujarat Maritime Board (GMB). The lease rent is subject to revision every three years on April 01st by 20% of the previous amount. The lease rent terms are for the period of 30 years and are renewable accordingly with extension or renewal of the concession agreement. The lease agreement entered is non-cancellable till the termination or expiry of the concession agreement. There is no contingent rent, no sub-leases and no restrictions imposed by the lease arrangements. Expenses of ₹0.59 crore (previous year ₹0.59 crore) incurred under such lease have been expensed in the statement of profit and loss.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

(₹ in crore)

Particulars	Within one year	After one year but not later than five years	More than five years	Total minimum lease payments	Less: Amounts representing finance charges	Present value of minimum lease payments
March 31, 2017						
Minimum Lease Payments	0.59	2.99	9.20	12.78	(5.78)	7.00
Finance charge allocated to future periods	0.58	2.24	2.96	5.78		
Present Value of MLP	0.01	0.75	6.24	7.00	-	7.00
March 31, 2016						
Minimum Lease Payments	0.59	2.72	10.05	13.36	(6.35)	7.01
Finance charge allocated to future periods	0.58	2.27	3.50	6.35		
Present Value of MLP	0.01	0.45	6.55	7.01		7.01
April 01, 2015						
Minimum Lease Payments	0.59	2.61	10.75	13.95	(6.93)	7.02
Finance charge allocated to future periods	0.58	2.30	4.05	6.93		
Present Value of MLP	0.01	0.31	6.70	7.02		7.02

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

16 OTHER LIABILITIES

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Advance from customers	10.51	13.93	17.32	312.87	111.32	154.09
Deposits from customers	-	-	35.65	15.54	44.85	33.06
Statutory liability	-	-	-	61.53	37.61	37.03
Unearned Income under long term land lease/ Infrastructure usage agreements	687.23	763.90	834.79	50.39	40.27	42.39
Deferred Income on fair valuation of Deposit taken	1.48	1.58	1.68	-	-	-
Deferred Government Grant (refer note (ii) below)	351.74	155.04	149.85	9.36	9.45	0.35
Unearned revenue	-	-	-	71.59	57.25	43.45
	1,050.96	**934.45**	**1,039.29**	**521.28**	**300.75**	**310.37**

i) For dues to related parties refer note 32

ii) Movement in Government Grant

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Opening Balance	164.49	150.20
Add :Addition during the year	204.83	22.06
Less: Amortisation during the year	(8.22)	(7.77)
Closing Balance	**361.10**	**164.49**

17 SHORT TERM BORROWINGS

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Short term borrowings from banks under suppliers credit (secured)	2.47	15.91	155.55
Short term borrowings from banks under suppliers credit (unsecured)	-	2.25	-
Commercial paper (unsecured)	2,531.42	3,115.65	1,133.13
	2,533.89	3,133.81	1,288.68
Borrowing Bill Discounted (unsecured) (refer note 5)	728.23	499.51	449.67
	3,262.12	**3,633.32**	**1,738.35**

Notes:

a) Suppliers bills accepted under foreign currency letters of credit aggregating to NIL (previous year NIL and April 01, 2015 ₹119.85 crore) carries interest @ 6 months Libor plus basis point in range of 35 to 40 which was paid on maturity in year 2015-16. The loan was secured against exclusive charge on assets and materials purchased under the facility.

b) Supplier Bills aggregating to NIL (previous year NIL and April 01, 2015 ₹35.03 crore) carries interest @ 6 Months Libor plus basis point in range of 65 to 170 and one year libor plus basis point in range of 100-225 which was paid on maturity in 2015-16 The loan was secured against subservient charge on movable fixed assets and current assets except those secured by exclusive charge in favour of other lenders .

c) Suppliers bills accepted under foreign currency letters of credit aggregating to ₹2.47 crore (previous year ₹2.25 crore and April 01, 2015 NIL) carries interest at 6 to 12 months Libor plus basis point in range of 16 to 45.The loan is repayable on maturity in the year 2017-18. The loan is unsecured.

d) Suppliers bills accepted under foreign currency letters of credit aggregating to NIL (previous year ₹2.25 crore and April 01, 2015 NIL) carries interest at 6 months Libor plus 45 basis point and 12 month Euribor plus 38 basis point. The loan is paid during the year.

e) Commercial Paper (CP) aggregating ₹2,531. 42 crore (previous year ₹3,115.65 crore and April 01, 2015 ₹1,133.13 crore) carries interest rate in range of 6.75 % to 10 % p.a. The CP has maturity period of 1 to 9 months.

f) Factored receivables of ₹728.23 crore (previous year ₹499.51 crore and April 01, 2015 ₹449.67 crore) 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 period.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

18 TRADE AND OTHER PAYABLES

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Payables to micro, small and medium enterprises (refer note 48)	0.36	0.29	0.30
Other trade payables	493.36	403.00	355.38
	493.72	**403.29**	**355.68**
Dues to related parties included in above (refer note 32)	57.76	41.27	14.36

19 PROVISIONS

(₹ in crore)

Particulars	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Provision for Employee Benefits						
Provision for gratuity (refer note 29)	3.91	1.50	0.93	0.64	9.48	4.28
Provision for compensated absences	7.10	3.30	3.07	56.12	15.72	11.65
	11.01	**4.80**	**4.00**	**56.76**	**25.20**	**15.93**
Other Provisions						
Provision for operational claims (Refer Note (a) below)	-	-	-	30.46	35.80	24.61
	11.01	**4.80**	**4.00**	**87.22**	**61.00**	**40.54**

Note (a)

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Opening Balance	35.80	24.61
Add : Additions during the year	6.34	17.11
Less :Utilised / (Settled) during the year	(11.68)	(5.92)
Closing Balance	**30.46**	**35.80**

Operational Claims are the expected claims against outstanding receivables made/to be made by the customers towards shortages of stock, handling losses, damages to the cargo, storage and other disputes. The probability and the timing of the outflow/adjustment with regard to above depends on the ultimate settlement / conclusion with the respective customer.

20 REVENUE FROM OPERATIONS

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Income from Port Operations (Including Port Infrastructure Services and export incentives) (refer note (b) below)	7,409.25	5,588.45
Land Lease, Upfront Premium and Deferred Infrastructure Income (refer note(a), (c) and (d) below)	313.65	823.86
Utilities Services	49.46	48.50
Aircraft Operations	12.12	14.69
Logistics Services	642.87	627.00
Other operating income including construction, Infrastructure development support services and related income	12.00	6.15
	8,439.35	**7,108.65**

Notes:

a) Includes annual income of ₹43.77 crore (previous year ₹17.36 crore) in respect of land finance lease transaction.

b) i) Operating Income for the year ended March 31, 2017 includes income of ₹192.70 crore towards project related advisory services rendered for the development of Container Terminal Project at Mundra. The income has been recognised based on completion of performance obligation as per the arrangement / agreement entered between the

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

20 REVENUE FROM OPERATIONS (contd.)

Company, Jointly controlled entity and the Service Provider. The Container Terminal facilities are being developed in Jointly controlled entity.

ii) The Company has completed the development of infrastructure assets of Container Terminal 4 which has been agreed to be transferred to jointly controlled entity, Adani CMA Mundra Terminal Private Limited ('ACMTPL'). Currently, the Company is temporarily operating the terminal facility, pending regulatory clearances for transfer of the terminal facilities to ACMTPL w.e.f. July 2016. Income from cargo handled at the terminal is included in Income from Port Operations.

c) Assets given under Finance Leases – The company has given land on finance lease to various parties. All leases include a clause to enable upward revision of the rental charge every three to five years by 10% to 20%. These leases have terms of between 16 and 50 years. The lease agreements entered are non-cancellable. There is no contingent rent, no sub-leases and no restrictions imposed by the lease arrangements. The company has also received one-time income of upfront premium ranging from ₹625 to ₹4248 per Sq mtr for use of common infrastructure by the parties. Such one-time income of upfront premium is non-refundable. Income of ₹267.45 crore (previous year ₹777.14 crore) including upfront premium of ₹193.46 crore (previous year ₹724.54 crore) accrued under such lease have been booked as income in the consolidated statement of profit and loss.

Future minimum lease receivables under finance leases together with the present value of the net minimum lease payments receivable ("MLPR") are as follows:

(₹ in crore)

Particulars	March 31, 2017		March 31, 2016		April 01, 2015	
	Gross Investment in the lease	Present Value of MLPR	Gross Investment in the lease	Present Value of MLPR	Gross Investment in the lease	Present Value of MLPR
Within one year	36.62	32.90	32.83	27.59	18.84	14.28
After one year but not later than five years	171.15	127.31	144.01	100.17	82.16	52.03
More than five years	1,683.32	435.18	1,458.31	347.03	508.36	134.86
Total minimum lease receivables	**1,891.09**	**595.39**	**1,635.15**	**474.79**	**609.36**	**201.17**
Less: Amounts representing finance charges	(1,295.70)	-	(1,160.36)	-	(408.19)	-
Present value of minimum lease receivables	595.39	595.39	474.79	474.79	201.17	201.17

d) Assets given on operating lease:
The Company has given certain land portions on operating lease. These lease arrangements range for a period between 5 and 60 years and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms.

The total future minimum lease rentals receivable at the Balance Sheet date is as under:

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
For a period not later than one year	46.84	44.57	45.05
For a period later than one year and not later than five years	95.08	114.02	140.47
For a period later than five years	287.35	176.86	195.00
	429.27	**335.45**	**380.52**

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

21 OTHER INCOME

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Interest income on		
Bank Deposits, Inter Corporate Deposits etc.	820.15	572.16
Customer dues	47.23	59.04
Dividend income on		
Current Investments	-	0.88
Long-term Investments	2.20	1.00
Profit on Sale of Current Investments (Mutual Funds)	37.34	30.05
Profit on Sale of Non Current Investment	2.99	-
Scrap sales	7.93	6.47
Unclaimed liabilities / excess provision written back	6.78	13.85
Financial Guarantee	8.82	12.13
Government Grant	8.22	7.77
Miscellaneous Contractual Income (Including equipment hire charges)	56.06	12.35
Miscellaneous income	42.39	16.97
	1,040.11	**732.67**

22 OPERATING EXPENSES

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Cargo handling / other charges to contractors (net of reimbursement)	725.01	495.55
Purchase of Traded Goods	111.02	105.32
Customer Claims	6.34	16.23
Port Management Fees	99.14	63.75
Railway's Service Charges (Net)	417.47	274.02
Tug and Pilotage Charges	52.83	55.10
Maintenance Dredging	29.84	31.55
Repairs to Plant & Machinery	26.87	120.96
Stores, Spares and Consumables (net of reimbursement)	123.44	129.94
Repairs to Buildings	10.57	15.41
Power & Fuel (net of reimbursement)	190.04	166.75
Waterfront Charges	203.02	207.32
Construction Contract Expenses*	56.11	41.38
Cost of Land Leased / Sub-Leased	1.84	6.09
Cargo Freight and Transportation Expenses	99.39	75.98
Aircraft Operating Expenses	12.07	12.75
Other expenses including Customs Establishment charges	2.89	17.20
	2,167.89	**1,835.30**

*Includes material of ₹49.12 crore (previous year ₹32.10 crore) and services ₹6.99 crore (previous year ₹9.28 crore)

23 EMPLOYEE BENEFIT EXPENSE

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Salaries, Wages and Bonus (Net of reimbursement)	341.94	244.44
Contribution to Provident & Other Funds	12.60	10.79
Gratuity Expense (refer note 29)	5.80	4.33
Staff Welfare Expenses	22.80	16.25
	383.14	**275.81**

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

24 FINANCE COSTS

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
a) Interest and Bank Charges		
Interest on		
Debentures/Bonds	647.20	425.28
Fixed Loans, Buyer's Credit, Short Term Loan etc.	539.68	666.86
Others	17.08	3.22
Bank and other Finance Charges	77.28	98.25
	1,281.24	1,193.61
b) Loss / (Gain) on Derivatives / Swap Contracts (net)	111.94	(69.31)
	1,393.18	**1,124.30**

25 OTHER EXPENSES

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Rent Expenses (refer note below (a))	30.93	27.56
Rates and Taxes	10.13	6.61
Insurance (net of reimbursement)	24.15	15.53
Advertisement and Publicity	15.39	15.19
Other Repairs and Maintenance (net of reimbursement)	44.90	43.36
Legal and Professional Expenses	70.84	50.81
Corporate Support Service Fees	44.37	19.80
IT Support Services	10.77	9.84
Security Services Charges	7.29	9.25
Communication Expenses	11.75	6.69
Electric Power Expenses	4.36	1.23
Travelling and Conveyance	26.06	25.04
Directors Sitting Fee	0.42	0.37
Commission to Non-executive Directors	0.48	0.62
Charity and Donations (Refer note (c) below)	59.44	54.02
Allowances for Doubtful Debts	4.13	7.65
Allowances for Doubtful Advance and Deposits	10.59	5.74
Diminution in value of capital inventories	21.15	-
Loss on Sale/Discard of Property, Plant and Equipment (net)	3.54	2.92
Miscellaneous Expenses	72.94	70.98
	473.63	**373.21**

a) Assets taken under Operating Leases – an office space and residential houses for staff accommodation are generally obtained on operating leases except that stated under note (b) below. The lease rent terms are generally for an eleven months period and are renewable by mutual agreement. There are no sub-leases and leases are cancellable in nature except that mentioned under note (b) below. There are no restrictions imposed by the lease arrangements. There is no contingent rent in the lease agreements and there is no escalation clause in the lease agreements except that mentioned under note (b) below. Expenses of ₹4.24 crore (previous year ₹4.09 crore) incurred under such leases have been expensed in the statement of profit & loss.

b) Assets taken under Operating Leases

i) an office premises have been taken on operating leases. The lease rent terms are for the period of 15 years and are renewable by mutual consent. The Company has given deposit of ₹100 crore as per the terms of the lease transaction. The lease agreement entered is non-cancellable for the period of first 3 years of the lease agreement. As per the lease agreement lease rental is escalated by 10% at every 5 years. There is no contingent rent, no sub-leases and no

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

25 OTHER EXPENSES (contd.)

restrictions imposed by the lease arrangements. Expenses of ₹0.10 crore (previous year ₹0.10 crore) incurred under such lease have been expensed in the statement of profit and loss.

ii) Land for purpose of constructing corporate office has been taken on operating lease basis during the year. The lease rent terms for the period of 20 years and is renewable by the mutual consent. The lease agreement entered is non-cancellable for the period of first 5 years of the lease agreement. There is no contingent rent, no sub-leases and no restrictions imposed by lease arrangements. Rental charges of ₹3.54 crore incurred under such lease have been expensed in the consolidated statement of profit and loss.

iii) The Company has taken parcel of Land aggregating to 49,416 Sq. Mtrs on lease basis. The lease shall be for an initial period of 20 years with annual lease rent of ₹7 crore. A lease rent expenses of ₹3.50 crore (previous year NIL) has been expensed in the statement of profit and loss and the Company has also paid advance of ₹140 crore as per terms of agreement.

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

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Not later than one year	20.15	13.00	12.95
Later than one year and not later than five years	82.39	53.28	52.88
Later than five years	366.58	272.04	279.72

c) Details of Expenditure on Corporate Social Responsibilities

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
(i) Gross Amount required to Spent during the year	54.50	44.01

(ii) Amount spent during the year ended (₹ in crore)

Particulars	In cash	Yet to be paid in cash	Total
March 31, 2017			
i) Construction/acquisition of any asset	8.40	-	8.40
ii) On purposes other than (i) above	46.40	-	46.40
Total	**54.80**	**-**	**54.80**
March 31, 2016			
i) Construction/acquisition of any asset	13.77	-	13.77
ii) On purposes other than (i) above	30.69	-	30.69
Total	**44.46**	**-**	**44.46**

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

26 INCOME TAX

The major component of income tax expenses for the year ended March 31, 2017 and March 31, 2016 are as under

i) Profit and Loss Section (₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Current Income tax		
Current tax charges	881.59	729.96
Tax (credit) under Minimum Alternate tax ('MAT')	(770.42)	(613.60)
Adjustment in respect of Current income tax of previous year	0.13	(0.27)
Deferred Tax		
Relating to origination and reversal of temporary differences	175.33	166.72
Tax Expense reported in the Consolidated Statement of Profit and Loss	**286.63**	**282.81**
Other Comprehensive Income ('OCI') Section		
Deferred tax related to items recognised in OCI during the year		
Net Loss /(Gain) on remeasurements of defined benefit plan	1.61	(1.17)
Unrealised Loss/ (Gain) on FVTOCI Equity Securities	0.03	3.97
	1.64	**2.80**

ii) Balance Sheet Section (₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Provision for Income Tax (net of advance tax)	193.91	30.96	43.04
Tax Recoverable (net of provision) (refer note 8)	66.01	80.43	80.64
	127.90	**(49.47)**	**(37.60)**

iii) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2016

Particulars	March 31, 2017		March 31, 2016	
	%	₹ In Crore	%	₹ In Crore
Accounting profit before Income tax		4,178.87		3,119.44
At India's Statutory income tax rate(34.608%)	34.61	1,446.22	34.61	1,079.58
Add /(Less) Adjustment in respect of current income tax of previous year				
i) Non Deductible Expenses	0.62	26.11	1.20	37.30
ii) Deduction u/s 80IA/80IAB	(22.95)	(959.10)	(30.61)	(954.97)
iii) Recognition of credits for previous period tax losses	(4.82)	(201.55)	(3.83)	(119.59)
iv) MAT credit recognised for earlier years	(2.65)	(110.88)	-	-
v) MAT credit not recognised for earlier years	-	-	2.58	80.63
vi) Tax Credit on Unrealised Profit eliminated	0.02	0.66	(0.45)	(14.15)
vii) Deferred tax asset not recognised on unabsorbed depreciation / losses	1.34	55.86	4.85	151.19
viii) Others	0.70	29.31	0.73	22.82
Total		**(1,159.59)**		**(796.77)**
Income tax reported in Statement of profit and Loss	6.86	286.63	9.07	282.81

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

26 INCOME TAX (contd.)

iv) Deferred Tax Liability (net)

(₹ in crore)

Particulars	Balance Sheet as at			Statement of Profit and Loss	
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016
(Liability) on Accelerated depreciation for tax purpose	(1,750.91)	(1,714.18)	(1,473.33)	(36.73)	(240.85)
Assets on unrealised exchange variation	18.12	44.43	208.63	(26.31)	(164.20)
Assets on Provision for Gratuity and Leave encashment	4.02	-	-	4.02	-
Assets / (Liability) on Reversal of 80IA period	116.74	149.97	130.91	(33.23)	19.06
Assets / (Liability) on other temporary differences	35.62	150.54	142.04	(114.92)	8.50
Assets on consolidation adjustments	171.95	147.89	83.34	24.06	64.55
Assets on account of unabsorbed losses/depreciation	363.55	341.72	135.40	21.83	206.32
Assets on account of bonus payable	0.01	-	-	0.01	-
Assets on Bond issue expenses amortization	13.71	-	-	13.71	-
Assets on Deposit Given and Taken (net)	2.65	2.02	1.32	0.63	0.70
(Liability) on Preference Share debt component	(68.17)	(70.57)	(72.78)	2.40	2.21
Assets / (Liability) on Inter Corporate Deposit Fair valuation	(8.01)	20.99	80.68	(29.00)	(59.69)
Assets / (Liability) on Deferred Government Grant	0.35	0.38	0.48	(0.03)	(0.10)
Assets on Interest Expenses	2.46	-	-	2.46	-
(Liability) on Corporate /Bank Guarantee Amortization	(7.01)	(5.40)	(2.56)	(1.61)	(2.84)
Assets / (Liability) on remeasurement (gain)/loss on defined benefit plan	(0.34)	0.73	(0.06)	(1.07)	0.79
(Liability) on equity investment FVTOCI	(24.81)	(24.84)	(20.87)	0.03	(3.97)
	(1,130.07)	**(956.32)**	**(786.80)**	**(173.75)**	**(169.52)**

v) Deferred Tax Assets reflected in the Balance Sheet as follows

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Tax Credit Entitlement under MAT	2,905.92	2,157.84	1,544.24
Less :Deferred tax liabilities (net)	(1,130.07)	(956.32)	(786.80)
	1,775.85	**1,201.52**	**757.44**

vi) Reconciliation of Deferred tax liabilities (net)

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Tax income / (expenses) during the period recognised in Statement of Profit and Loss	175.33	166.72
Tax income / (expenses) during the period recongnised in OCI	(1.58)	2.80
	173.75	**169.52**

vii) The Company has been availing tax holiday benefit u/s 80IAB of the Income Tax Act, 1961 on the taxable income. However, in view of the amendment in Income Tax Act, 1961 w.e.f. April 1, 2011 by Finance Act 2011, the Company is liable to pay Minimum Alternate Tax (MAT) on income from the financial year 2011-12. Based on the amendment, the Company has made provision of ₹704.24 crore (previous year ₹624.34 crore) for current taxation based on its book profit for the financial year 2016-17 and has recognised MAT credit of ₹571.28 crore (previous year ₹607.82 crore) (read with note 38(u)) as the management believes, in view of strategic volumes of cargo available with the Company and higher depreciation charge for accounting purposes than the depreciation for income tax purposes in the future period, it is possible that the MAT credit will be utilized post tax holiday period w.e.f. financial year 2017-18.

MAT credit of ₹199.13 crore (previous year ₹5.78 crore) has been recognised in subsidiary entities, Adani Logistics Limited, Adani Hospitals Mundra Private Limited, Adani Hazira Port Private Limited and The Dhamra Port Company Limited.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

26 INCOME TAX (contd.)

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

Financial Year	Amount (₹ in crore)	Expiry Date
2011-12	250.94	2026-27
2012-13	366.96	2027-28
2013-14	450.19	2028-29
2014-15	483.45	2029-30
2015-16	694.94	2030-31
2016-17	659.44	2031-32
Total	**2,905.92**	

ix) Certain subsidiary companies has carried forward unabsorbed depreciation aggregating ₹811.55 crores (previous year ₹704.71 crores and as at April 01, 2015 ₹573.59crores) under the Income Tax Act,1961 for which there is no expiry date of its tax credit utilisation by the respective entities. Further certain subsidiary companies have carried forward losses aggregating ₹393.96 crore (previous year ₹716.44 crore and as at April 01, 2015 ₹530.64 crore) under the Income Tax Act, 1961, which gets expired within 8 years of the respective year. The carried forward losses will get expired mainly during the year 2020-21 to 2024-25

Deferred tax assets has not been recognised in respect of these unabsorbed losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, the profit would increase by ₹280.86 crores.

x) During the year ended March 31, 2016, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

27 EARNINGS PER SHARE (EPS)

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Profit after tax	3,911.52	2,897.16
Less: Dividends on Non-Cumulative Redeemable Preference Shares & tax thereon	*-	*-
Net profit for calculation of basic and diluted EPS	**3,911.52**	**2,897.16**
* Figures being nullified on conversion to ₹ in crore.		
	No.	No.
Weighted average number of equity shares in calculating basic and diluted EPS	2,07,09,51,761	2,07,09,51,761
Basic and Diluted Earnings per Share (in Rupees)	**18.89**	**13.99**

28 DISCLOSURE PURSUANT OF IND AS 11 CONSTRUCTION CONTRACTS ARE AS UNDER

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
a) Contract revenue recognized during the year	18.24	23.35	10.17
b) Disclosure for Contract in Progress			
(i) Aggregate amount of contract costs incurred up to date	6.37	3.51	5.82
(ii) Recognised Profit (Less recognised losses)	11.87	19.84	4.35
(iii) Customer advances outstanding	-	-	-
(iv) Retention money due from customers	-	0.30	2.87
c) Amount due from customers	8.94	15.75	-
d) Amount due to customers	0.59	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

29 DISCLOSURES AS REQUIRED BY IND AS - 19 EMPLOYEE BENEFITS

a) The Group has recognised, in the Consolidated Statement of Profit and Loss for the current year, an amount of ₹ 12.87 crore (previous year ₹8.85 crore) as expenses under the following defined contribution plan.

(₹ in crore)

Contribution to	2016-17	2015-16
Provident Fund	12.60	8.58
Superannuation Fund	0.27	0.27
Total	**12.87**	**8.85**

b) The Group has a defined gratuity plan. Under the plan every employee who has completed at least five year of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Company of India (LIC) in form of a qualifying insurance policy with effect from September 01, 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 matching strategy. The management decides its contribution based on the results of this review. The management aims to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

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

c) **Gratuity**

(i) Changes in present value of the defined benefit obligation are as follows: (₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Present value of the defined benefit obligation at the beginning of the year	23.99	16.45
Current service cost	4.93	3.97
Past Service Cost	-	-
Interest cost	1.92	1.31
Re-measurement (or Actuarial) (gain) / loss arising from and including in OCI:		
- change in demographic assumptions	-	(0.04)
- change in financial assumptions	(5.78)	1.64
- experience variance	1.20	1.63
Benefits paid	(1.77)	(0.97)
Liability Transfer In	1.49	-
Liability Transfer Out	(1.68)	-
Present value of the defined benefit obligation at the end of the year	24.30	23.99

(ii) Changes in fair value of plan assets are as follows: (₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Fair value of plan assets at the beginning of the year	13.03	11.49
Investment income	1.03	0.92
Contributions by employer	8.02	0.81
Benefits paid	(0.35)	(0.10)
Return on plan assets, excluding amount recognised in net interest expense	0.40	(0.09)
Acquisition Adjustment	0.02	-
Fair value of plan assets at the end of the year	22.15	13.03

(iii) Net asset/(liability) recognised in the balance sheet (₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Present value of the defined benefit obligation at the end of the year	24.30	23.99
Fair value of plan assets at the end of the year	22.15	13.03
Amount recognised in the balance sheet	(2.15)	(10.96)
Net (liability)/asset - Current	2.40	0.02
Net (liability)/asset - Current	(0.64)	(9.48)
Net (liability)/asset - Non-current	(3.91)	(1.50)

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

29 DISCLOSURES AS REQUIRED BY IND AS - 19 EMPLOYEE BENEFITS (contd.)

(iv) Expense recognised in the Statement of Profit and Loss for the year (₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Current service cost	4.93	3.97
Interest cost on benefit obligation	0.87	0.36
Total Expense included in Employee Benefits Expense	5.80	4.33

(v) Recognised in the other comprehensive income for the year (₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Actuarial (gain)/losses arising from		
- change in demographic assumptions	-	(0.04)
- change in financial assumptions	(5.67)	1.64
- experience variance	1.06	1.63
Return on plan assets, excluding amount recognised in net interest expense	(0.40)	0.09
Recognised in comprehensive income	(5.01)	3.32

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

Particulars	March 31, 2017	March 31, 2016
Discount rate	7.60%	7.90% to 7.96%
Expected rate of return on plan assets	7.60%	7.96% to 8.00%
Rate of escalation in salary (per annum)	7%	9%
Mortality	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)
Attrition rate	10% for 5 years & below and 1% thereafter	10% for 5 years & below and 1% thereafter

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

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

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

Particulars	March 31, 2017	March 31, 2016
Investments with insurer	100%	100%

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

(viii) Sensitivity Analysis Method

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

Quantitative sensitivity analysis for significant assumption is as below

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

	March 31, 2017		March 31, 2016	
Assumptions	Discount rate		Discount rate	
Sensitivity level	1 % Increase	1 % Decrease	1 % Increase	1 % Decrease
	(₹ In Crore)	(₹ In Crore)	(₹ In Crore)	(₹ In Crore)
Impact on defined benefit obligations	3.25	(2.72)	(2.88)	3.47

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

29 DISCLOSURES AS REQUIRED BY IND AS - 19 EMPLOYEE BENEFITS (contd.)

	March 31, 2017		March 31, 2016	
Assumptions	Salary Growth rate		Salary Growth rate	
Sensitivity level	1 % Increase	1 % Decrease	1 % Increase	1 % Decrease
	(₹ In Crore)	(₹ In Crore)	(₹ In Crore)	(₹ In Crore)
Impact on defined benefit obligations	3.24	(2.76)	3.39	(2.88)

	March 31, 2017		March 31, 2016	
Assumptions	Attrition rate		Attrition rate	
Sensitivity level	50% Increase	50 % Decrease	50% Increase	50 % Decrease
	(₹ In Crore)	(₹ In Crore)	(₹ In Crore)	(₹ In Crore)
Impact on defined benefit obligations	(0.19)	0.20	(0.43)	0.47

	March 31, 2017		March 31, 2016	
Assumptions	Mortality rate		Mortality rate	
Sensitivity level	10% Increase	10 % Decrease	10% Increase	10 % Decrease
	(₹ In Crore)	(₹ In Crore)	(₹ In Crore)	(₹ In Crore)
Impact on defined benefit obligations	0.01	(0.02)	(0.01)	0.01

(ix) Maturity profile of Defined Benefit Obligation

Particulars	March 31, 2017	March 31, 2016
Weighted average duration (based on discounted cash flows)	12 years	13 years

(x) The Following payments are expected contributions to the defined benefit plan in future years:

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Within the next 12 months (next annual reporting period)	1.05	1.03
Between 2 and 5 years	7.03	3.76
Between 5 and 10 years	7.25	9.44
Beyond 10 years	60.66	71.96
Total Expected Payments	**75.99**	**86.19**

The Group expects to contribute ₹6.06 crore to gratuity fund in the financial year 2017-18. (previous year ₹14.79 crore)

30 SEGMENT INFORMATION

Operating Segments

The identified reportable Segments are Port and activities at contiguous Special Economic Zone and others in terms of Ind-AS 108 'Operating Segment' as notified under section 133 of the Companies Act 2013. Other Segment mainly includes Aircraft Operating Income, Container Trains Services on specific Railway Routes and Multi-modal Cargo storage cum logistics services through development of Inland Container Depots at various strategic locations in terms of concession agreement from Ministry of Railways.

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

30 SEGMENT INFORMATION (contd.)

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter Segment transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

Summary of segment information is given below:

(₹ in crore)

Particulars	Port and SEZ activities	Others	Eliminations	Total
Revenue				
External Sales	**7,781.00**	**658.35**	**-**	**8,439.35**
	6,607.78	*500.88*	*-*	*7,108.66*
Inter-Segment Sales		**284.56**	**(284.56)**	**-**
		(345.77)	*345.77*	*-*
Total Revenue	**7,781.00**	**942.91**	**(284.56)**	**8,439.35**
	6,607.78	*155.11*	*345.77*	*7,108.66*
Results				
Segment Results	**4,247.10**	**67.73**	**-**	**4,314.83**
	3,595.39	*20.99*	*-*	*3,616.38*
Unallocated Corporate Income (Net of expenses)			**389.84**	**389.84**
			(3.84)	*(3.84)*
Operating Profit	**4,247.10**	**67.73**	**389.84**	**4,704.67**
	3,595.39	*20.99*	*(3.84)*	*3,612.54*
Less: Finance Expense				**1,393.18**
				1,124.30
Add: Interest Income				**867.38**
				631.20
Profit before tax				**4,178.87**
				3,119.44
Tax Expense				**286.63**
				282.81
Total Tax				**286.63**
				282.81
Profit after tax				**3,892.24**
				2,836.63
Less: Minority Interest				**(10.02)**
				(41.26)
Add : Share of jointly controlled entities				**9.26**
				19.27
Net profit				**3,911.52**
				2,897.16
Other Information				
Segment Assets	**31,837.30**	**1,275.41**	**-**	**33,112.71**
	25,615.30	*1,170.45*	*-*	*26,785.75*
Unallocated Corporate Assets				**10,472.37**
				11,820.24
Total Assets	**31,837.30**	**1,275.41**	**-**	**43,585.08**
				38,605.99

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

30 SEGMENT INFORMATION (contd.)

(₹ in crore)

Particulars	Port and SEZ activities	Others	Eliminations	Total
Segment Liabilities	**2,802.77**	**121.64**	**-**	**2,924.41**
	2,124.76	*134.98*	*-*	*2,259.74*
Unallocated Corporate Liabilities	-	-	-	**22,995.45**
				22,716.80
Total liabilities	**2,802.77**	**121.64**	**-**	**25,919.86**
				24,976.54
Capital Expenditure during the year	**3,632.49**	**55.02**	**-**	**3,687.51**
	2,082.90	*41.87*	*-*	*2,124.77*
Segment Depreciation(Expense)	**1,108.72**	**51.47**	**-**	**1,160.19**
	1,016.43	*46.53*	*-*	*1,062.96*
Major Non-Cash Expenses other than Depreciation and amortisation (net)	**35.99**	**4.63**	**-**	**40.62**
	25.22	*3.66*	*-*	*28.88*
Unallocated Major Non-Cash Expenses other than Depreciation and amortisation (net)				**221.60**
				-

previous year figures are in italics

Additional information regarding the Company's geographical segments: (₹ in crore)

Sr No	Particulars	Revenue from External Customers		Non Current Assets		
		For the year ended March 31, 2017	For the year ended March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
1	India	8,273.82	7,108.65	27,712.99	24,639.68	22,168.16
2	Outside India	165.53	-	107.04	-	-

There is no transactions with single external customer which amounts to 10% or more of the Group's revenue

31 ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED'S SHARE IN THE VOTING POWER OF SUBSIDIARY COMPANIES AS AT YEAR END IS AS FOLLOWS:

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2017	Proportion of Ownership Interest (%) March 31, 2016
a	Adani Logistics Limited	India	100	100
b	Karnavati Aviation Private Limited	India	100	100
c	MPSEZ Utilities Private Limited	India	100	100
d	Mundra SEZ Textile and Apparel Park Private Limited	India	57	57
e	Adani Murmugao Port Terminal Private Limited (refer note a) below)	India	100	74
f	Mundra International Airport Private Limited	India	100	100
g	Adani Hazira Port Private Limited	India	100	100
h	Adani Petronet (Dahej) Port Private Limited	India	74	74
i	Hazira Infrastructure Private Limited	India	100	100
j	Mundra LPG Infrastructure Private Limited (formerly known as Hazira Road Infrastructure Private Limited)	India	100	100

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

31 ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED'S SHARE IN THE VOTING POWER OF SUBSIDIARY COMPANIES AS AT YEAR END IS AS FOLLOWS: (contd.)

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2017	Proportion of Ownership Interest (%) March 31, 2016
k	Adani Vizag Coal Terminal Private Limited	India	100	100
l	Adani Kandla Bulk Terminal Private Limited (refer note a) below)	India	100	74
m	Adani Warehousing Services Private Limited	India	100	100
n	Adani Ennore Container Terminal Private Limited	India	100	100
o	Adani Hospitals Mundra Private Limited	India	100	100
p	The Dhamra Port Company Limited	India	100	100
q	Shanti Sagar International Dredging Private Limited (incorporated on May 05, 2015) (formerly known as Adani Food and Agro Processing Park Private Limited)	India	100	100
r	Abbot Point Operations Pty Limited (incorporated on May 15, 2015)	Australia	100	100
s	Adani Vizhinjam Port Private Limited (incorporated on July 27, 2015)	India	100	100
t	Adani Kattupalli Port Private Limited (incorporated on August 14, 2015)	India	100	100
u	Adani Dhamra LPG Terminal Private Limited (formerly known as Dhamra LPG Terminal Private Limited)	India	100	100
v	Mundra LPG Terminal Private Limited (formerly known as Adani Mundra LPG Terminal Private Limited)	India	100	100
w	Dhamra LNG Terminal Private Limited	India	100	100
x	Adani Petroleum Terminal Private Limited (incorporated on April 26, 2016)	India	100	-
y	Abbott Point Bulkcoal Pty Limited (acquired on October 04, 2016)	Australia	100	-
z	Adani Harbour Services Private Limited (formerly known as TM Harbour Services Private Limited) (acquired on December 07,2016)	India	100	-
aa	Dholera Infrastructure Private Limited	India	49	49
ab	Dholera Port and Special Economic Zone Limited	India	49	49
ac	Adinath Polyfills Private Limited	India	100	100

Adani Ports and Special Economic Zone Limited's share in the voting power in jointly controlled entities as at year end is as follows:

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2017	Proportion of Ownership Interest (%) March 31, 2016
a	Adani International Container Terminal Private Limited	India	50	50
b	Adani CMA Mundra Terminal Private Limited (incorporated on July 30, 2014)	India	50	50

Note a) :

During the year ended March 31, 2017, the Company has accounted for purchase of 31,213,000 and 30,131,014 numbers of equity shares in two subsidiaries, Adani Kandla Bulk Terminal Private Limited and Adani Murmugao Port Terminal Private Limited, respectively at total consideration of ₹61.34 crores. The equity shares has been purchased from Adani Enterprise Limited, a group Company whereby these entities have become wholly owned subsidiaries. As per the management, the transfer has been recorded based on Irrevocable Letter of Affirmation dated March 31, 2017 from the seller and acceptance by the Company although legal transfer of such equity shares is still in process at year end. (also refer note 32)

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

32 RELATED PARTY DISCLOSURES

A. Related parties with whom transaction have been taken place during the year.

Associate	Mundra Solar Technopark Pvt Ltd (w.e.f. September 03, 2015 to March 05, 2016)
Jointly Controlled Entities	Adani International Container Terminal Private Limited
	Adani CMA Mundra Terminal Private Limited [incorporated on July 30, 2014]
Key Management Personnel and their relatives	Mr. Gautam S. Adani - Chairman and Managing Director
	Mr. Rajesh S. Adani - Director (Brother of Mr Gautam S. Adani)
	Mr Karan G. Adani -Chief Executive Officer (son of Mr Gautam S. Adani) (w.e.f. January 01, 2016)
	Dr. Malay Mahadevia - Wholetime Director
	Mr. Sudipta Bhattacharya -Chief Executive Officer/ Director (till December 31, 2015)
	Mr. Arun Duggal - Non-Executive Director [upto June 30, 2015]
	Mr. D. T. Joseph - Non-Executive Director [upto October 01, 2015]
	Mr. Sarthak Behuria - Non-Executive Director [w.e.f November 02, 2015 to March 31, 2016]
	Mr. A.K. Rakesh, IAS - Non-Executive Director [upto September 07, 2016]
	Prof. G. Raghuram - Non-Executive Director
	Mr. Sanjay S. Lalbhai - Non-Executive Director
	Ms. Radhika Haribhakti - Non-Executive Director
	Mr. Gopal Krishna Pillai - Non-Executive Director
	Mr. B. Ravi - Chief Finance Officer
	Ms. Dipti Shah - Company Secretary
Entities over which Key Management Personnel and their relative having significant influence	Abbot Point Port Holdings Pte Limited- Singapore
	Adani Foundation
	Adani Institute of Infrastructure Management
	Adani Properties Private Limited
	Delhi Golf Link Properties Private Limited
	Adani Townships And Real Estate Company Private Limited
	Mundra Port Pty Limited, Australia
	Adani Infrastructure and Developers Private Limited
	Adani Mundra SEZ Infrastructure Private Limited
	Shanti Builder
Entities over which major shareholders of the Company are able to exercise significant influence through voting powers.	Adani Agri Fresh Limited
	Adani Bunkering Private Limited
	Adani Enterprises Limited
	Adani Green Energy Limited
	Adani Gas Limited
	Adani Global FZE
	Adani Infra (India) Limited
	Adani Power Dahej Limited
	Adani Power Limited
	Adani Power Maharashtra Limited
	Adani Power Rajasthan Limited
	Adani Wilmar Limited
	Kutch Power Generation Limited
	Maharashtra Eastern Grid Power Transmission Company Limited
	Sarguja Rail Corridor Private Limited
	Gujarat Adani Institute of Medical Science
	Adani Institute for Education and Research
	Adani Skill Development Centre
	Prayatna Developers Private Limited
	Udupi Power Corporation Limited
	Adani Renewable Energy Park Rajasthan Limited
	Parampujya Solar Energy Private Limited
	Wardha Solar (Maharashtra) Private Limited
	Mundra Solar PV Limited
	Mundra Solar Limited
	Mundra Solar Technopark Private Limited (w.e.f. March 05, 2016)

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

32 RELATED PARTY DISCLOSURES (contd.)

Terms and conditions of transactions with related parties

Outstanding balances of the related parties at the year-end are unsecured and interest free 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, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes:

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

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

Detail of Related Party Transactions for the year ended March 31, 2017

(₹ in crore)

Category	Name of Related Party	March 31, 2017	March 31, 2016
Income from Port Services / Other Operating Income	Adani Enterprises Ltd	304.81	385.16
	Adani International Container Terminal Pvt Ltd	144.60	145.32
	Adani Power Ltd	526.78	519.73
	Adani Power Rajasthan Ltd	92.65	129.32
	Adani Wilmar Ltd	62.06	58.19
	Adani Bunkering Pvt Ltd	29.32	25.55
	Sarguja Rail Corridor Pvt Ltd	-	0.10
	Adani Mundra SEZ Infrastructure Pvt Ltd	0.01	0.84
	Adani Power Maharashtra Ltd	2.11	128.13
	Prayatna Developers Private Limited	0.32	-
	Mundra Solar Technopark Pvt Ltd	0.19	0.08
	Mundra Solar PV Limited	7.73	0.80
	Adani Global FZE	0.01	-
	Adani Foundation	1.80	2.37
Recovery of expenses (Reimbursement)	Adani International Container Terminal Pvt Ltd	5.54	7.72
	Adani CMA Mundra Terminal Pvt Ltd	0.05	-
Lease & Infrastructure Usage Income/ Upfront Premium (Includes Reversal)	Adani International Container Terminal Pvt Ltd	4.61	4.20
	Adani Power Ltd	1.29	2.16
	Adani Wilmar Ltd (transaction reversal)	0.61	(3.05)
	Adani Mundra SEZ Infrastructure Pvt Ltd	7.87	(0.14)
	Mundra Solar Technopark Pvt Ltd	121.40	423.15
Purchase of Spares and consumables, Power & Fuel	Adani CMA Mundra Terminal Pvt Ltd	-	6.98
	Adani Power Ltd	0.01	0.21
	Adani Power Rajasthan Ltd	0.96	-
	Adani Bunkering Pvt Ltd	63.88	0.02
Services Availed (including reimbursement of expenses)	Adani Enterprises Ltd	47.84	25.23
	Petronet LNG Ltd	0.01	0.01
	Adani Gas Ltd	0.01	0.01
	Adani International Container Terminal Pvt Ltd	-	0.04
	Adani Power Ltd	14.79	16.51
	Adani Mundra SEZ Infrastructure Pvt Ltd	0.13	2.34
	Adani Foundation	0.34	-
	Adani Institute of Education and Research	0.80	-
	Adani CMA Mundra Terminal Pvt Ltd	2.28	-
	Delhi Golf Link Properties Pvt Ltd	-	0.06

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

32 RELATED PARTY DISCLOSURES (contd.)

(₹ in crore)

Category	Name of Related Party	March 31, 2017	March 31, 2016
Purchase of Material	Adani Power Ltd	2.91	-
	Adani Power Dahej Ltd	0.22	-
Rent charges paid	Adani International Container Terminal Pvt Ltd	3.80	1.60
	Adani Infrastructure & Development Pvt Ltd	1.41	0.83
	Delhi Golf Link Properties Pvt Ltd	-	0.10
	Adani Properties Pvt Ltd	3.57	0.07
Interest Income on loans/ deposits/ deferred accounts receivable	Adani Agri Fresh Ltd	95.69	125.46
	Adani Enterprises Ltd	45.44	5.97
	Adani International Container Terminal Pvt Ltd	13.43	7.76
	Adani Power Ltd	64.50	47.00
	Adani Power Rajasthan Ltd	3.18	8.28
	Mundra Solar Technopark Pvt Ltd	21.93	5.89
	Adani Infra (India) Limited	116.93	-
	Adani Bunkering Pvt Ltd	41.30	13.68
	Adani Power Maharashtra Ltd	6.32	5.24
	Adani Infra (India) Limited	-	141.52
	Adani Skill Development Centre	0.01	-
	Adani CMA Mundra Terminal Pvt Ltd	0.16	-
	Maharashtra Eastern Grid Power Transmission Company Ltd	-	7.03
Sales of Scrap and other Miscellaneous Income	Adani Enterprises Ltd	-	0.06
	Adani International Container Terminal Pvt Ltd	6.66	5.44
	Adani Power Ltd	0.62	0.14
	Mundra Solar Technopark Pvt Ltd	-	0.57
	Adani Wilmar Ltd	-	0.15
	Adani Bunkering Pvt Ltd	-	0.02
	Adani Foundation	0.01	0.01
	Mundra Solar Ltd	-	0.08
	Mundra Solar PV Limited	0.13	0.07
Loans Given	Adani Enterprises Ltd	1,065.00	175.00
	Adani Agri Fresh Ltd	3.00	-
	Adani International Container Terminal Pvt Ltd	786.42	43.12
	Mundra Solar Technopark Pvt Ltd	155.49	328.09
	Maharashtra Eastern Grid Power Transmission Company Ltd	-	427.00
	Adani Skill Development Centre	0.40	-
	Adani CMA Mundra Terminal Pvt Ltd	7.22	-
	Adani Infra (India) Limited	-	100.00
Advance / Deposit Given	Adani Enterprises Ltd	0.66	552.00
	Adani Properties Pvt Ltd	140.00	-
	Adani Bunkering Pvt Ltd	-	400.00
	Adani Power Ltd	-	200.00
Advance / Deposit Received Back/Utilised	Adani Enterprises Ltd	552.00	-
	Adani Bunkering Pvt Ltd	48.19	-
	Adani Power Ltd	200.00	-
Service Line contribution Received	Mundra Solar Technopark Pvt Ltd	-	0.85
Security Deposit Received	Mundra Solar Technopark Pvt Ltd	-	0.17
Sale of Power	Mundra Solar PV Limited	1.01	-
	Adani Power Ltd	-	1.61
	Mundra Solar Technopark Pvt Ltd	0.56	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

32 RELATED PARTY DISCLOSURES (contd.)

(₹ in crore)

Category	Name of Related Party	March 31, 2017	March 31, 2016
Purchase of Power	Adani Power Ltd	83.36	97.65
	Udupi Power Corporation Limited	18.25	-
	Adani Enterprises Ltd	6.32	4.75
Loans Received back	Adani Agri Fresh Ltd	1,034.40	33.48
	Adani International Container Terminal Pvt Ltd	-	127.12
	Adani Enterprises Ltd	1,065.00	175.00
	Adani Infra (India) Limited	1,168.85	-
	Mundra Solar Technopark Pvt Ltd	479.47	4.11
	Maharashtra Eastern Grid Power Transmission Company Ltd	-	433.32
Share Application Money Paid/Investment	Mundra Solar Technopark Pvt Ltd	-	2.40
	Adani Enterprises Ltd	-	26.10
Purchase of Investment	Adani Enterprises Ltd (refer note b) below)	61.34	-
Donation	Adani Foundation	45.79	43.45
	Gujarat Adani Institute of Medical Sciences	7.50	-
Sale of Assets	Adani International Container Terminal Pvt Ltd	0.97	0.72
	Adani CMA Mundra Terminal Pvt Ltd	7.22	-
Purchase of Property / Assets /Land use rights	Adani Power Dahej Ltd	-	0.04
	Adani Properties Pvt Ltd	60.30	-
	Adani Enterprises Ltd	265.00	-
	Adani Mundra SEZ Infrastructure Pvt Ltd	8.90	-
Remuneration	Mr. Gautam S. Adani	1.80	1.80
	Mr. Sudipta Bhattacharya	-	3.14
	Mr. Karan Adani	0.88	1.20
	Mr. B. Ravi	3.54	2.88
	Ms. Dipti Shah	0.23	0.20
	Dr. Malay Mahadevia	11.10	10.70
Sale of Redemption of Investment	Adani Green Energy Limited	-	1.55
Commission to Director	Mr. Gautam S. Adani	1.00	1.00
Commission to Non-Executive Director	Prof. G. Raghuram	0.12	0.12
	Mr. Sanjay S. Lalbhai	0.12	0.12
	Mr. Arun Duggal	-	0.03
	Mr. D. T. Joseph	-	0.06
	Mr. Sarthak Behuria	-	0.05
	Ms. Radhika Haribhakti	0.12	0.12
	Mr. Gopal Krishna Pillai	0.12	0.12
Sitting Fees	Mr. Rajesh S. Adani	0.05	0.08
	Prof. G. Raghuram	0.03	0.03
	Mr. Sanjay S. Lalbhai	0.01	0.01
	Mr. Arun Duggal	-	0.01
	Mr. D. T. Joseph	-	0.01
	Mr. Sarthak Behuria	-	0.01
	Mr. A.K. Rakesh, IAS	-	-*
	Ms. Radhika Haribhakti	0.03	0.03
	Mr. Gopal Krishna Pillai	0.01	0.01
Corporate Guarantee Given	Adani International Container Terminal Pvt Ltd	-	USD 175 Million
	Adani CMA Mundra Terminal Pvt Ltd	-	448.00

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

32 RELATED PARTY DISCLOSURES (contd.)

(₹ in crore)

Closing Balance	Name of Related Party	March 31, 2017	March 31, 2016	April 01, 2015
Trade Receivable	Adani Enterprises Ltd	132.85	196.41	47.60
	Adani International Container Terminal Pvt Ltd	49.55	4.54	61.34
	Adani Power Dahej Ltd	10.32	15.74	22.69
	Adani Power Ltd	523.52	623.02	632.93
	Adani Power Maharashtra Ltd	77.08	96.31	27.83
	Adani Power Rajasthan Ltd	69.09	87.44	80.31
	Adani Wilmar Ltd	6.21	4.43	4.77
	Adani Bunkering Pvt Ltd	5.12	3.32	0.66
	Sarguja Rail Corridor Pvt Ltd	-	0.11	-
	Mundra Solar Technopark Pvt Ltd	124.65	196.44	-
	Adani Mundra SEZ Infrastructure Pvt Ltd	14.29	6.90	-
	Adani Foundation	0.44	0.16	0.23
	Prayatna Developers Private Limited	0.38	-	-
	Adani Global Fze	0.01	-	-
	Adani Infra (India) Limited	-	-	0.10
	Mundra Solar PV Limited	4.36	0.79	-
		1,017.87	**1,235.61**	**878.46**
Loans/Deposits	Adani Agri Fresh Ltd	-	1,031.40	1,064.88
	Adani Enterprises Ltd	-	804.33	250.25
	Adani International Container Terminal Pvt Ltd	786.42	-	84.00
	Adani CMA Mundra Terminal Pvt Ltd	7.22	-	-
	Adani Properties Pvt Ltd	-	1.00	1.00
	Mundra Solar Technopark Pvt Ltd	-	323.98	-
	Adani Mundra Sez Infrastructure Pvt Ltd	-	24.75	-
	Adani Infra (India) Limited	-	1,168.85	1,068.85
	Adani Skill Development Centre	0.40	-	-
	Adani Power Ltd	-	200.00	-
		794.04	**3,554.31**	**2,468.98**
Capital Advances	Adani CMA Mundra Terminal Pvt Ltd	2.64	0.56	0.56
	Adani Bunkering Pvt Ltd	0.03	-	0.03
	Adani Properties Pvt Ltd	140.00	-	-
	Adani Enterprises Ltd	0.66	-	-
	Adani Mundra SEZ Infrastructure Pvt Ltd	21.99	22.00	-
		165.32	**22.56**	**0.59**
Trade Payable (including provisions)	Adani Enterprises Ltd	25.16	12.49	3.44
	Adani International Container Terminal Pvt Ltd	3.24	0.16	0.24
	Adani Power Ltd	17.24	10.00	8.64
	Adani Power Rajasthan Ltd	0.96	-	-
	Adani Power Dahej Ltd	-	-	0.36
	Adani CMA Mundra Terminal Pvt Ltd	9.26	7.02	-
	Adani Bunkering Pvt Ltd	0.57	10.74	1.64
	Adani Mundra SEZ Infrastructure Pvt Ltd	0.36	0.47	-
	Adani Infrastructure & Development Pvt Ltd	0.57	0.29	-
	Adani Infra (India) Limited	0.02	-	-
	Adani Wilmar Ltd	0.02	0.09	0.01
	Adani Renewable Energy Park Rajasthan Ltd	0.02	-	-
	Adani Green Energy Limited	0.04	-	-
	Mundra Solar PV Limited	0.02	-	-
	Petronet LNG Ltd	-	-	0.03

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

32 RELATED PARTY DISCLOSURES (contd.)

(₹ in crore)

Closing Balance	Name of Related Party	March 31, 2017	March 31, 2016	April 01, 2015
	Adani Township and Real Estate Company Limited	0.28	0.01	-
		57.76	**41.27**	**14.36**
Advances and Deposits from Customer/ Sale of Assets	Adani Enterprises Ltd	2.15	1.48	27.95
	Adani Wilmar Ltd	2.77	3.00	1.85
	Adani Bunkering Pvt Ltd	2.00	2.00	2.01
	Kutch Power Generation Ltd	3.21	3.21	3.21
	Adani Power Ltd	10.53	1.53	1.48
	Adani Foundation	0.01	-	-
	Adani Mundra SEZ Infrastructure Pvt Ltd	0.06	0.02	-
	Mundra Solar Technopark Pvt Ltd	4.83	-	-
	Parampujya Solar Energy Private Ltd	0.35	-	-
	Wardha Solar(Maharashtra) Pvt Ltd	0.04	-	-
	Adani International Container Terminal Pvt Ltd	136.74	0.40	-
		162.69	**11.64**	**36.50**
Other Financial & Non-Financial Assets	Adani Agri Fresh Ltd	-	-	27.25
	Adani International Container Terminal Pvt Ltd	55.34	44.72	45.00
	Adani CMA Mundra Terminal Pvt Ltd	7.43	-	-
	Adani Power Ltd	163.91	125.81	97.09
	Adani Power Rajasthan Ltd	5.73	3.56	1.59
	Adani Power Maharashtra Ltd	10.23	0.99	-
	Adani Bunkering Pvt Ltd	389.83	422.28	0.15
	Mundra Solar Technopark Pvt Ltd	0.24	5.30	-
	Adani Mundra SEZ Infrastructure Pvt Ltd	76.60	51.85	-
	Adani Infra (India) Limited	0.07	188.23	47.03
	Abbot Point Port Holdings Pte Ltd- Singapore	85.13	87.53	81.62
	Mundra Solar PV Limited	1.04	-	-
	Adani Skill Development Centre	0.01	-	-
	Adani Properties Pvt Ltd	1.00	-	-
	Delhi Golf Link Properties Pvt Ltd	100.00	100.00	100.00
	Adani Wilmar Ltd	0.01	-	2.77
	Adani Enterprises Ltd	6.34	5.37	-
		902.91	**1,035.64**	**402.50**
Other Financial & Non-Financial Liabilities	Adani International Container Terminal Pvt Ltd	-	0.14	0.10
	Adani CMA Mundra Terminal Pvt Ltd	0.07	-	-
	Adani Power Dahej Ltd	-	-	2.24
	Mundra Solar Technopark Pvt Ltd	-	31.40	-
	Adani Bunkering Pvt Ltd	15.59	0.60	0.25
	Shanti Builder	0.04	0.04	0.04
		15.70	**32.18**	**2.63**
Corporate Guarantee	Adani International Container Terminal Pvt Ltd	USD 50 Million	USD 250 Million	USD 165 Million
	Adani International Container Terminal Pvt Ltd	-	-	305.00
	Adani CMA Mundra Terminal Pvt Ltd	448.00	448.00	-
	Mundra Port Pty Ltd, Australia	USD 800 Million	USD 800 Million	USD 800 Million
Corporate Guarantee (Deed of indemnity received)	Abbot Point Port Holdings Pte Ltd- Singapore	USD 800 Million	USD 800 Million	USD 800 Million

* Figures being nullified on conversion to ₹in crore.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

32 RELATED PARTY DISCLOSURES (contd.)

Notes:

a) The Group has allowed to some of its jointly controlled entities and other group company to avail non fund based bank guarantee facilities out of its credit facilities. The aggregate of such transaction amount ₹267.21 crore (previous year ₹584.39 crore and April 01, 2015 ₹0.31 crore)

b) During the year, out of total advance of ₹302 crore given to Adani Enterprises Limited for acquisition of equity, the Company has adjusted ₹52 crore for the purpose of acquisition of Non-Controlling interest in two subsidiaries. (refer note 31 (a)) and balance amount is received back.

c) During previous year, as per composite scheme of arrangement, company has taken over fixed assets of ₹28.02 crore, trade payables of ₹4.66 crore, trade receivables of ₹3.04 crore and loans and advances of ₹0.57 crore, from Adani Enterprises Limited.

d) Pass through transactions/payable relating to railway freight, water front charges and other payable to third parties have not been considered for the purpose of related party disclosure.

33 The Group takes various types of derivative instruments. The category-wise outstanding position of derivative instruments is as under:

Particulars	Particulars of Derivatives			Purpose
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	
INR - Foreign Currency Swap	Nil	USD 146.72 Million (₹852.31 crore)	USD 434.16 Million (₹2,322.71 crore)	Hedging of equivalent rupee non convertible debentures aggregate of ₹Nil Crore and ₹Nil crore of long term loan (previous year ₹456.55 crore and ₹395.76 crore and April 01, 2015 ₹1,829.39 crore and ₹493.32 crore) to mitigate higher interest rate of INR borrowings as against the foreign currency loans with possible risk of principal currency losses.
Forward Contract	USD 190.40 Million (₹1,335.17 crore)	USD 547.50 Million (₹3,801.45 crore)	USD 20.25 Million (₹393.86 crore)	Hedging of expected future billing based on foreign currency denominated tariff USD 190.40 Million (previous year USD 547.50 Million and April 01, 2015 USD 20.25 Million).
	USD 97.75 Million (₹674.60 crore)	USD 65.87 Million (₹444.99 crore)	-	Hedging of foreign currency borrowing principal and interest liability of USD 97.75 Million(previous year USD 65.87 Million and April 01, 2015 NIL).
	USD 106.08 Million (EUR 98.00 Million)	-	-	Hedging of USD borrowing principal liability of USD 106.08 Million against EURO (previous year NIL and April 01, 2015 USD NIL)
	USD 9 Million (JPY 992.58 Million)	-	-	Hedging of foreign currency borrowing principal liability of USD 9 Million against JPY (previous year NIL and April 01, 2015 USD NIL)

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

33 (contd.)

Particulars	Particulars of Derivatives			Purpose
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	
	EUR 0.58 Million (₹4.32 crore)	-	EUR 4.65 Million (₹35.17 crore)	Hedging of foreign currency term loan principal and interest liability of EUR 0.58 Million (previous year Nil and April 01, 2015 EUR 4.65 Million).
Options	USD 76.61 Million	USD 478.53 Million	-	Hedging of foreign currency borrowing principal and interest liability of USD 76.61 Million (previous year USD 478.53 Million and April 01, 2015 Nil).
	EUR 6.45 Million	EUR 6.45 Million	-	Hedging of foreign currency borrowing principal liability of EUR 6.45 Million (previous year EUR 6.45 Million and April 01, 2015 Nil).
	USD 146.46 Million (EUR 137.25 Million)	-	-	Hedging of foreign currency borrowing principal liability of USD 146.46 Million against EURO (previous year NIL and April 01, 2015 USD Nil)
	USD 36.00 Million (JPY 4104.00 Million)	-	-	Hedging of foreign currency borrowing principal liability of USD 36 Million against JPY (previous year NIL and April 01, 2015 USD NIL)
Interest rate Swap - Fixed to Variable Rate	Interest on USD 175 Million Principal amount	Interest on USD 100 Million Principal amount	Interest on USD 5.00 Million Principal amount	Hedging of interest rate on foreign currency borrowing of USD 175 Million(previous year USD 100 Million and April 01, 2015 5 Million) to reduce fixed interest cost.
Foreign Currency - INR Full Currency Swap	USD 146.38 Million(₹987.05 crore)	USD 35 Million (₹228.76 crore)	-	Hedging of currency and interest rate risk of foreign currency borrowing of USD 146.38 Million (previous year USD 35 Million and April 01, 2015 NIL)
Interest rate future	-	-	₹104.52 Crore	Hedging of Interest costs on rupee term loan NIL (previous year ₹Nil crore and April 01, 2015 ₹104.52 crore)

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

33 (contd.)

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

Nature	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Amount	Foreign Currency	Amount	Foreign Currency	Amount	Foreign Currency
	(₹ In Crore)	(in Million)	(₹ In Crore)	(in Million)	(₹ In Crore)	(in Million)
Foreign Currency Loan	3,212.81	USD 495.42	5,937.64	USD 896.18	7,345.46	USD 1,175.27
	243.51	EUR 35.14	463.45	EUR 61.47	461.04	EUR 68.62
	12.31	JPY 212.16	110.21	JPY 1,868.49	116.08	JPY 2,226.88
Buyer's Credit	610.30	USD 94.11	655.74	USD 98.88	479.89	USD 76.78
	16.07	EUR 2.32	158.39	EUR 21.01	93.45	EUR 13.91
Trade Payables	13.11	USD 2.02	3.04	USD 0.46	18.51	USD 2.96
	4.04	EUR 0.58	1.65	EUR 0.22	3.25	EUR 0.49
	2.84	JPY 48.90	0.81	JPY 13.67	0.43	JPY 8.29
	0.04	SGD 0.01	0.05	SGD 0.01	0.03	SGD 0.01
	0.04	AUD 0.01	-	-	-	-
	0.04	GBP #	0.04	GBP #	*	GBP #
Other Current Liabilities	157.57	USD 24.29	53.47	USD 8.07	1.33	USD 0.21
	2.15	EUR 0.31	0.96	EUR 0.13	0.30	EUR 0.04
	-	-	-	-	0.01	JPY 0.16
Interest accrued but not due	4.12	USD 0.64	25.69	USD 3.88	44.26	USD 7.08
	0.96	EUR 0.14	1.68	EUR 0.22	2.09	EUR 0.31
	0.11	JPY 1.87	1.00	JPY 16.87	1.04	JPY 19.88
Other Receivable	85.13	AUD 17.17	87.54	AUD 17.17	81.62	AUD 17.17
	-	-	-	-	28.75	USD 4.60
	-	-	-	-	0.08	EUR 0.01
Foreign currency Bond	6,735.48	USD 1,038.63	4,306.58	USD 650.00	-	-

* Figures being nullified on conversion to ₹ in crore.

Figures being nullified on conversion to foreign currency in million.

Closing rates as at :

	March 31, 2017	March 31, 2016	April 01, 2015
INR / USD	64.85	66.26	62.50
INR / EUR	69.29	75.40	67.19
INR / GBP	80.90	95.47	92.47
INR / JPY	0.58	0.59	0.52
INR / AUD	49.58	50.98	47.54
INR / SGD	48.41	48.02	45.48

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

34 Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management

34.1 Category-wise Classification of Financial Instruments:

(₹ in crore)

Particulars	Refer Note	As at March 31, 2017			
		Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial Assets					
Cash and cash equivalents	11	-	-	951.03	951.03
Bank balances other than cash and cash equivalents	11	-	-	1,076.09	1,076.09
Investments in unquoted Equity Shares (other than investment in jointly controlled entities)	4	225.19	-	-	225.18
Investments in unquoted equity shares of jointly controlled entities	4	-	-	27.14	27.14
Investments in unquoted Mutual Funds	10	-	14.54	-	14.54
Investments in unquoted Debentures, Commercial Papers and Government Securities	10	-	-	894.50	894.50
Trade Receivables (including bill discounted)	5	-	-	2,706.62	2,706.62
Loans	6	-	-	2,541.94	2,541.94
Deposit Given for Acquisition		-	-	1,450.00	1,450.00
Derivatives not designated as Hedges Instruments	7	-	106.16	-	106.16
Financial Guarantees, received	7	-	8.74	-	8.74
Other Financial assets	7	-	-	1,682.18	1,682.18
Total		**225.19**	**129.44**	**11,329.50**	**11,684.13**
Financial Liabilities					
Borrowings (including the Bills discounted and current maturities)	14,17,15	-	-	22,214.26	22,214.26
Trade Payables	18	-	-	493.72	493.72
Derivatives Instruments not designated as Hedge	15	-	109.81	-	109.81
Financial Guarantees, given	15	-	12.53	-	12.53
Other Financial Liabilities	15	-		1,009.45	1,009.45
Total		**-**	**122.34**	**23,717.43**	**23,839.77**

(₹ in crore)

Particulars	Refer Note	As at March 31, 2016			
		Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial Assets					
Cash and cash equivalents	11	-	-	843.00	843.00
Bank balances other than cash and cash equivalents	11	-	-	568.21	568.21
Investments in unquoted Equity Shares (other than investment in jointly controlled entities)	4	221.95	-	-	221.95
Investments in unquoted equity shares of jointly controlled entities	4	-	-	36.54	36.54
Investments in unquoted Mutual Funds	10	-	136.68	-	136.68
Investments in unquoted Debentures and Government Securities	10	-	-	150.01	150.01
Trade Receivables (including bill discounted)	5	-	-	2,458.09	2,458.09
Loans	6	-	-	4,481.79	4,481.79
Financial Guarantees, received	7	-	13.10	-	13.10
Other Financial assets	7	-	-	2,567.70	2,567.70
Derivatives not designated as Hedges Instruments	7	-	25.56	-	25.56
Total		**221.95**	**175.34**	**11,105.34**	**11,502.63**
Financial Liabilities					
Borrowings (including the Bills discounted and current maturities)	14,17,15	-	-	22,341.53	22,341.53
Trade Payables	18	-	-	403.29	403.29
Derivatives Instruments not designated as Hedge	15	-	81.65	-	81.65
Financial Guarantees, given	15	-	20.13	-	20.13
Other Financial Liabilities	15	-		576.84	576.84
Total		**-**	**101.78**	**23,321.66**	**23,423.44**

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

34.1 Category-wise Classification of Financial Instruments: (contd.)

(₹ in crore)

Particulars	Refer Note	As at April 01, 2015			
		Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial Assets					
Cash and cash equivalents	11	-	-	445.23	445.23
Bank balances other than cash and cash equivalents	11	-	-	174.67	174.67
Investments in unquoted Equity Shares (other than investment in jointly controlled entities)	4	198.24	-	-	198.24
Investments in unquoted equity shares of jointly controlled entities	4	-	-	31.29	31.29
Investments in unquoted Mutual Funds	10	-	202.88	-	202.88
Investments in unquoted Government Securities	10	-	-	0.01	0.01
Trade Receivables (including bill discounted)	5	-	-	2,204.73	2,204.73
Loans	6	-	-	3,542.30	3,542.30
Financial Guarantees, received	7	-	17.22	-	17.22
Other Financial assets	7	-	-	920.63	920.63
Total		**198.24**	**220.10**	**7,318.86**	**7,737.20**
Financial Liabilities					
Borrowings(including the Bills discounted and current maturities)	14,17,15	-	-	17,383.25	17,383.25
Trade Payables	18	-	-	355.68	355.68
Derivatives Instruments not designated as Hedge	15	-	414.13	-	414.13
Financial Guarantees, given	15	-	24.59	-	24.59
Other Financial Liabilities	15	-	-	437.01	437.01
Total		**-**	**438.72**	**18,175.94**	**18,614.66**

34.2 Fair Value Measurements:

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

(₹ in crore)

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	Significant observable Inputs (Level 2)	Significant unobservable Inputs (Level 3)	Total	Significant observable Inputs (Level 2)	Significant unobservable Inputs (Level 3)	Total	Significant observable Inputs (Level 2)	Significant unobservable Inputs (Level 3)	Total
Financial Assets									
Investment in unquoted Equity Investments measured at FVTOCI (refer note 4)	-	225.19	225.19	-	221.95	221.95	-	198.24	198.24
Investments in unquoted Mutual Funds measured at FVTPL (refer note 10)	14.54	-	14.54	136.68	-	136.68	202.88	-	202.88
Derivative instrument	106.16	-	106.16	25.56	-	25.56	-	-	-
Financial Guarantees, received	-	8.74	8.74	-	13.10	13.10	-	17.22	17.22
Total	**120.70**	**233.93**	**354.63**	**162.24**	**235.05**	**397.29**	**202.88**	**215.46**	**418.34**
Financial Liabilities									
Derivative instruments	109.81	-	109.81	81.65	-	81.65	414.13	-	414.13
Financial Guarantees, given	-	12.53	12.53	-	20.13	20.13	-	24.59	24.59
Total	**109.81**	**12.53**	**122.34**	**81.65**	**20.13**	**101.78**	**414.13**	**24.59**	**438.72**

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

34.2 Fair Value Measurements: (contd.)

b) Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2017, March 31, 2016 and April 01, 2015 are as shown below:

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
FVTOCI assets in unquoted equity shares	DCF Method	Weighted Average Cost of Capital (WACC)	March 31, 2017 : 13.56% - 18.45% (16.01%) March 31, 2016 : 12.11% - 27.49% (19.80%); April 01, 2015 : 19.23% - 27.49% (23.36%)	1% increase would result in decrease in fair value by ₹13.48 Crore as of March 31, 2017 (₹10.79 Crore as of March 31, 2016, ₹8.60 crore as of April 01, 2015)
		Perpetual Growth Rate for Subsequent years	31 March 2017 : 2% - 5% (3.5%) 31 March 2016 : 5%; April 01, 2015 2% - 5% (3.5%)	1% decrease would result in decrease in fair value by ₹7.35 Crore as of March 31, 2017 (₹5.19 Crore as of March 31, 2016 and ₹3.66 crore as of April 01, 2015)
Financial guarantee obligations	Based on the outstanding value of guarantee	Counterparty Non performance risk	The Value of Financial Guarantee is based on the outstanding whereby it is considered at 1% of the Outstanding amount of Guarantee	0.1% decrease in basis would result in decrease in value of guarantee by ₹0.54 Crore as of March 31, 2017 (₹0.54 as of March 31, 2016 and ₹0.92 as of April 01, 2015)
Financial guarantee receivable	Based on the outstanding value of guarantee	Counterparty Non performance risk	The Value of Financial Guarantee is based on the outstanding whereby it is considered at 1% of the Outstanding amount of Guarantee	0.1% decrease in basis would result in decrease in value of guarantee by ₹0.54 Crore as of March 31, 2017 (₹0.54 as of March 31, 2016 and April 01, 2015 ₹0.03 crore)

The discount for lack of marketability represents the amount that the Company has determined that market participants would take into account when pricing the investments.

c) Financial Instrument measured at Amortised Cost

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

34.3 Financial Risk objective and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations/projects and to provide guarantees to support Group's operations and its jointly controlled entities. The Group's principal financial assets include loans, investment including mutual funds, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

In the ordinary course of business, the Group is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. The Group's senior management oversees the management of these risks. It manages its exposure to these risks through derivative financial instruments by hedging transactions. It uses derivative instruments such as Cross Currency Swaps, Full Currency swaps, Interest rate swaps, foreign currency future options and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favourable and unfavourable fluctuations.

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

34.3 Financial Risk objective and policies (contd.)

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 Group 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 profit and loss.

(A) Market risk

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2017 and March 31, 2016.

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, 2017. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; 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, 2017 and March 31, 2016.

(i) Interest rate risk

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

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

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit for the year ended March 31, 2017 would decrease / increase by ₹29.47 crore (for the year ended March 31, 2016 : decrease / increase by ₹51.64 crore). 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), JPY, AUD and Euro (EUR) against Indian Rupee (INR), have an impact on the Group's operating results. The Group manages its foreign currency risk by entering into currency swap for converting INR loan into other foreign currency for taking advantage of lower cost of borrowing in stable currency environment. The Group also enters into various foreign exchange contracts to mitigate the risk arising out of foreign exchange rate movement on foreign currency borrowings or trade payables. Further, to hedge foreign currency future transactions in respect of which firm commitment are made or which are highly probable

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

34.3 Financial Risk objective and policies (contd.)

forecast transactions (for instance, foreign exchange denominated income) the Group has entered into foreign currency forward contracts as per the policy of the Group.

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

The above table represents total exposure of the Group towards foreign exchange denominated liabilities (net). The details of exposures hedged using forward exchange contracts are given as a part of Note 33 and the details of unhedged exposures are given as part of Note 33.

The Company is mainly exposed to changes in USD, EURO, AUD and JPY. 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.

(₹ in crore)

Particulars	Impact on Profit before tax		Impact on Pre-tax Equity	
	For the year ended		For the year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Liabilities				
USD Sensitivity				
₹/USD - Increase by 1%	(72.24)	(33.71)	(72.24)	(33.71)
₹/USD - Decrease by 1%	72.24	33.71	72.24	33.71
EURO Sensitivity				
₹/EURO - Increase by 1%	(0.09)	(0.46)	(0.09)	(0.46)
₹/EURO - Decrease by 1%	0.09	0.46	0.09	0.46
JPY Sensitivity				
₹/JPY- Increase by 1%	(0.03)	(0.02)	(0.03)	(0.02)
₹/JPY - Decrease by 1%	0.03	0.02	0.03	0.02
Assets				
AUD Sensitivity				
₹/AUD- Increase by 1%	0.85	0.88	0.85	0.88
₹/AUD - Decrease by 1%	(0.85)	(0.88)	(0.85)	(0.88)

(iii) Equity price risk

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

The Company has given corporate guarantees and pledged part of its investment in equity in order to fulfil the collateral requirements of the subsidiaries and jointly controlled entities. The counterparties have an obligation to return the guarantees/ securities to the Company. There are no other significant terms and conditions associated with the use of collateral.

(B) Credit risk

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

34.3 Financial Risk objective and policies (contd.)

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

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

Concentrations of Credit Risk form part of Credit Risk

Considering that the group operates the port services and provide related infrastructure services, the group is significantly dependent on cargo from such large port user customer located at Mundra/ user customers located in the port vicinity. Out of total revenue, the Company earns 34 % revenue (previous year 35%) from such customers, and with some of these customers, the group has long term cargo contracts . A loss of these customer could adversely affect the operating result or cash flow of the Group.

(C) Liquidity Risk

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

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

(₹ in crore)

Particulars	Refer Note	On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
As at March 31, 2017						
Borrowings (including the bills discounted)	14,15,17	-	4,221.02	14,629.62	3,363.62	22,214.26
Trade Payables	18	-	493.72	-	-	493.72
Derivatives Instruments not designated as hedge	15	-	53.85	55.96	-	109.81
Financial Guarantees given	15	-	-	12.53	-	12.53
Other Financial Liabilities	15	-	984.91	18.30	6.24	1,009.45
Total		**-**	**5,753.50**	**14,716.41**	**3,369.86**	**23,839.77**
As at March 31, 2016						
Borrowings (including the bills discounted)	14,15,17	-	6,521.86	12,087.93	3,731.74	22,341.53
Trade Payables	18	-	403.29	-	-	403.29
Derivatives Instruments not designated as hedge	15	-	13.38	68.27	-	81.65
Financial Guarantees given	15	-	-	20.13	-	20.13
Other Financial Liabilities	15	-	565.89	4.40	6.55	576.84
Total		**-**	**7,504.42**	**12,180.73**	**3,738.29**	**23,423.44**
As at April 01, 2015						
Borrowings (including the bills discounted)	14,15,17	-	4,061.31	9,369.41	3,952.53	17,383.25
Trade Payables	18	-	355.68	-	-	355.68
Derivatives Instruments not designated as hedge	15	-	125.75	288.38	-	414.13
Financial Guarantees given	15	-	-	24.59	-	24.59
Other Financial Liabilities	15	-	425.93	4.38	6.70	437.01
Total		**-**	**4,968.67**	**9,686.76**	**3,959.23**	**18,614.66**

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

34.4 Capital management

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

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

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Total Borrowings (refer note 14,15 and 17)	22,214.26	22,341.53	17,383.25
Less: Cash and bank balance (refer note 11)	1,976.80	1,278.24	593.52
Net Debt (A)	**20,237.46**	**21,063.29**	**16,789.73**
Total Equity (B)	17,525.98	13,505.49	11,280.48
Total Equity and Net Debt (C = A + B)	**37,763.44**	**34,568.78**	**28,070.21**
Gearing ratio	54%	61%	60%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

35 The MPSEZ Utilities Private Limited is engaged in the business of distribution of power. Quantitative information in respect of purchase and sale of power as under :-

Sn	Particulars	2016-17 Unit in Mus	2015-16 Unit in Mus
ia)	Unit Purchased (incl. of GETCO/WR Transmission Losses)	189.62	183.28
ib)	UI Purchased	16.91	17.89
ic)	Third Party Sale	-	8.37
i)	Net Units Purchased	206.53	192.80
ii)	Unit Sold	198.67	184.76
iii)	Transmission & Distribution Losses	7.86	8.04
iv)	Transmission & Distribution Losses (%)	3.81%	4.17%

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

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

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
A. Project Costs	3,991.86	1,647.21	795.01
B. Capital Inventory	461.14	282.67	282.85
C. Cost attributable during Construction Period :			
Personnel Expenses			
Salaries, Wages & Bonus	11.44	6.52	8.55
Contribution to Provident Fund	0.35	0.27	0.33
Workmen and Staff Welfare Expense	-	-	0.07
Sub Total	**11.79**	**6.79**	**8.95**
Other Expenses			
Power & Fuel	-	0.72	0.53
Insurance	0.11	-	0.14
Other Repairs and Maintenance	0.34	0.16	0.22
Legal and Professional Expenses	4.78	3.64	7.78
Travelling and Conveyance	3.74	0.95	0.18
Vehicle Hiring Charges	0.91	0.28	-
Rent	-	0.30	0.60
Security Charges	0.67	0.14	0.33
Other Expenses	3.13	2.51	-
Factory and Office Expenses	0.52	0.20	-
License Fee for water front & Installation Charges	-	-	1.42
Sub Total	**14.20**	**8.90**	**11.20**
Financial Expenses			
Interest on Borrowings	61.87	50.30	12.29
Bank Charges	1.08	1.34	0.44
Sub Total	**62.95**	**51.64**	**12.73**
Less: Interest Income on Bank Deposits and others	**(11.75)**	**(23.62)**	**(0.56)**
Depreciation	85.52	68.07	77.02
Total Expenditure (a)	**162.71**	**111.78**	**109.34**
Trial Run Income (net of expenses)		-	10.93
Scrap Sales		(0.88)	(1.44)
Total Income (b)	**-**	**(0.88)**	**9.49**
Net (a) + (b)	**162.71**	**110.90**	**118.83**
Brought Forward from previous year	36.88	9.07	55.81
Total	**199.59**	**119.97**	**174.64**
Amount capitalized/allocated to project costs during the year	(138.62)	(83.09)	(165.57)
Balance Carried Forward Pending Allocation / Capitalisation	60.97	36.88	9.07
Total Capital Work In Progress (A + B + C)	**4,513.97**	**1,966.76**	**1086.93**

Note: Project costs mainly include costs incurred on development of dredged channel, receipts and dispatch conveyor system and LNG terminal at Mundra and on construction of port assets at Vizhinjam, Dhamra and Ennore.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

37 CAPITAL COMMITMENTS

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	3,592.64	3,469.13	2,633.01

Other Commitments

a) The port projects of subsidiary companies viz. Adani Hazira Port Private Limited, Adani Petronet (Dahej) Port Private Limited, Adani Murmugao Port Terminal Private Limited ("AMPTPL"), Adani Vizag Coal Terminal Private Limited, The Dhamra Port Company Limited ("DPCL") and joint venture company Adani International Container Terminal Private Limited ("AICTPL") have been funded through various credit facility agreements with banks. Against the said facilities availed by the aforesaid entities/jointly controlled entities from the banks, the Company has executed a Sponsor Undertaking and Pledge Agreements whereby 51% of the holding would be retained by the Company (In case of AICTPL jointly with the Joint Venture partner) at all points of time. Further, the Company is also required to pledge 30% (26% from the date of commencement of the operation) of its shareholding in the respective entities(In case of AICTPL, jointly with Joint Venture partner of which 12.98% shares held by Joint Venture partner are yet to be pledge with bank).

The details of shareholding pledged by the Company is as follows :

Nature	% of Non disposal undertaking (Apart from pledged)			% of Share Pledged of the total shareholding of investee company		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Adani Petronet (Dahej) Port Private Limited	21%	21%	21%	30%	30%	30%
Adani Murmugao Port Terminal Private Limited	-	-	21%	-	-	11%
Adani Hazira Port Private Limited	21%	21%	21%	27%	27%	27%
Adani Vizag Coal Terminal Private Limited	-	21%	21%	-	26%	26%
Adani International Container Terminal Private Limited	21%	21%	21%	13%	13%	13%
The Dhamra Port Company Limited	21%	21%	21%	30%	30%	17%

b) Contract/ Commitment for purchase of certain supplies. Advance given ₹351.81 crore (previous year ₹400 crore)

c) The Company has, through its subsidiary Adani Kattupalli Port Private Limited (AKPPL), entered into an in principle agreement on November 01, 2015 for strategic acquisition of the Kattupalli Port in Tamil Nadu from L&T Shipbuilding Limited (LTSB) a subsidiary of Larsen & Toubro Limited. The transaction is subject to receiving the necessary government and regulatory approvals and the port business being demerged from LTSB. While awaiting all the necessary approvals, APSEZ through its subsidiary AKPPL has an arrangement to operate the Port w.e.f November 01, 2015 through AKPPL.

d) The subsidiary companies has imported capital good for its Container and 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 ₹1,894.35 crore (previous year ₹2,241.23 crore and April 01, 2015 ₹2,107.07 crore) which is equivalent to 6 to 8 times of duty saved ₹275.95 crore (previous year ₹300.51 crore and April 01, 2015 ₹271.83 crore) . The export obligation has to be completed by 2017-18, 2018-19, 2019-20 and 2020-21.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

38 CONTINGENT LIABILITIES NOT PROVIDED FOR

(₹ in crore)

Sn	Particulars	March 31, 2017	March 31, 2016	April 01, 2015
a	Corporate Guarantees given to banks and financial institutions against credit facilities availed by the jointly controlled entities. Amount outstanding there against ₹659.52 crore (previous year ₹1,600.04 Crore and April 2015 ₹1326.88 crore). During the year Jointly controlled entity has prepaid the loan of ₹758.29 crore, however, the release of corporate guarantee against said loan is pending as at year end and the amount is not included in the disclosure.	772.25	2,104.38	1,336.26
b	Corporate Guarantee given to a bank for credit facility availed by erstwhile subsidiary company, Mundra Port Pty Limited, Australia read with note (v) below. (Amount outstanding there against ₹2,937.71 crore (previous year ₹3,001.35 crore and April 2015 ₹3,043.75 crore)	Refer note (v) below	Refer note (v) below	Refer note (v) below
c	Bank Guarantees and Letter of Credit facilities availed by the jointly controlled entities and other group company against credit facilities sanctioned to the company.	267.21	584.39	0.31
d	Bank Guarantees given to government authorities and bank (also includes DSRA bank guarantees given to Bank on behalf of subsidiaries and erstwhile subsidiaries.)	159.98	87.54	162.45
e	Civil suits filed by the Customers for recovery of damages against certain performance obligations. The said civil suits are currently pending with various Civil Courts in Gujarat. The management is reasonably confident that no liability will devolve on the Company in this regard and hence no provision is made in the books of accounts towards these suits.	0.94	0.94	0.94
f	Show cause notices from the Custom Authorities against duty on port related cargo. The Company has given deposit of ₹0.05 crore (previous year ₹0.05 crore and April 01, 2015 ₹0.05 crore) against the demand. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognised in the books of accounts.	0.14	0.14	0.19
g	Customs department notice for wrongly availing duty benefit exemption under DFCEC Scheme on import of equipment. The Company has filed its reply to the show cause notice with Deputy Commissioner of Customs, Mundra and Commissioner of Customs, Mumbai against order in original. The management is of view that no liability shall arise on the Company.	0.25	0.25	0.25
h	Various show cause notices received from Commissioner/ Additional Commissioner/ Joint Commissioner/ Deputy Commissioner of Customs and Central Excise, Rajkot and Commissioner of Service Tax, Ahmedabad and appeal there of, for wrongly availing of Cenvat credit/ Service tax credit and Education Cess credit on input services and steel, cement and other misc. fixed assets during financial year 2006-07 to 2014-15. In similar matter, the Excise department has demanded recovery of the duty along with penalty and interest thereon. The Company has given deposit of ₹4.50 crore (previous year ₹4.50 crore and April 01, 2015 ₹4.50 crore) against the demand. These matters are pending before the Supreme Court, the High Court of Gujarat, Commissioner of Central Excise (Appeals), Rajkot and Commissioner of Service Tax, Ahmedabad. The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company. Further, during the previous year, the Company has received favourable order from High Court of Gujarat against demand in respect of dispute relating to financial year 2005-06 and favourable order from CESTAT against similar demand in respect of dispute relating to FY 2005-06 to FY 2010 -11 (up to Sept 2011).	24.78	20.07	111.80

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

38 CONTINGENT LIABILITIES NOT PROVIDED FOR (contd.)

(₹ in crore)

Sn	Particulars	March 31, 2017	March 31, 2016	April 01, 2015
i	Show cause notices received from Commissioner of Customs and Central Excise, Rajkot and appeal thereof in respect of levy of service tax on various services provided by the Company and wrong availement of CENVAT credit by the Company during financial year 2009-10 to 2011-12. These matter is currently pending at High Court of Gujarat ₹6.72 crore (previous year ₹6.72 crore and April 01, 2015 ₹6.72 crore); and Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad ₹0.15 crore (previous year ₹0.15 crore and April 01, 2015 ₹0.15 crore) and Commissioner of Service Tax Ahmedabad ₹0.03 crore (previous year ₹0.03 crore and April 01 , 2015 ₹0.03 crore). The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company.	6.90	6.90	6.90
j	Commissioner of Customs, Ahmedabad has demanded vide letter no.4/Comm./SIIB/2009 dated 25/11//2009 for recovery of penalty in connection with import of Air Craft which is owned by Karnavati Aviation Private Limited (Formerly Gujarat Adani Aviation Private Limited.), subsidiary of the Company. Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal against the demand order, the management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognized in the books of accounts.	2.00	2.00	2.00
k	The Company's tax assessments is completed till assessment year 2013-14, pending appeals with Appellate Tribunal for Assessment Year 2009-10 to 2011-12 and CIT (Appeals) for Assessment Year 2012-13 and 2013-14. The Company has received a favourable order from Appellate Tribunal for assessment year 2008-09. The management is reasonably confident that no liability will devolve on the Company.	Refer note (u) below	Refer note (u) below	Refer note (u) below
l	In terms of the Show Cause Notice issued to a subsidiary company by the Office of the Commissioner of Customs for a demand of ₹18.33 Crore along with applicable interest and penalty thereon for the differential amount of Customs Duty in respect of import of Bombardier Challenger Cl-600 under Non-Scheduled Operation Permit (NSOP) has been raised on the Company.	18.33	18.33	-
m	In terms of the Show Cause cum Demand Notice issued to subsidiary company by the Office of the Commissioner of Customs Preventive Section dated 27/02/2009, a demand of ₹14.67 Crore along with applicable interest and penalty thereon for the differential amount of Customs Duty in respect of import of Aircraft Hawker 850 XP under Non-Scheduled Operation Permit (NSOP) has been raised on the Company .	14.53	14.53	14.53
n	National Green Tribunal (Western Zone) Bench, Pune has passed a penalty order in the matter relating to environmental deficiencies observed by the Tribunal in which Subsidiary Company is one of the respondent. As per the order, the Subsidiary Company has deposited ₹25.00 crore with the Collector, Surat and has appealed against the order of National Green Tribunal in Supreme Court. The management of the Group is confident that no liability will devolve on the Subsidiary Company in this regard.	25.00	25.00	-
o	Notice received from Superintendent / Commissioner of Service Tax Department and show cause from Directorate General of Central Excise Intelligence for wrong availing of Cenvat Credit /Service tax credit and Education Cess on input services steel and cement on some of the subsidiary companies. The management is of the view that no liability shall arise on the subsidiary companies.	32.07	28.71	64.52

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

38 CONTINGENT LIABILITIES NOT PROVIDED FOR (contd.)

(₹ in crore)

Sn	Particulars	March 31, 2017	March 31, 2016	April 01, 2015
p	The Subsidiary Company has acquired land of 25.62 Acre at Kathuwas district, Rajasthan. The Company has paid stamp duty on acquisition of such land. The Collector of stamp duty has raised a demand for additional stamp duty of ₹0.80 crore on the Company. The Company has filed an appeal against the said demand. Demand has been withdrawn on 08.08.2016 and liability as on 31.03.2017 it is Nil	-	0.80	0.80
q	Show cause notice received from Directorate General of Central Excise Intelligence for Non-Payment of Service Tax on Domestic Journey and on certain Foreign Service on reverse base mechanism amounting to ₹3.03 crore. The subsidiary company had filed appeal with Commissioner of Service Tax & received order for the same. The subsidiary company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal against the order of Commissioner for confirmation of tax liability of ₹3.71 crore (including Penalty). The subsidiary company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise. The subsidiary company has paid ₹0.35 crore under protest.	3.71	3.71	3.71
r	Statutory claims not acknowledged as debts	0.46	0.46	0.46
s	Interest claims not acknowledged as debts	1.50	1.32	1.15
t	(i) Subsidiary company has received order u/s 144 of the Income tax for AY 2010-11 for a demand of ₹1.04 crore. Company has preferred appeal against the order passed by ITO and Commissioner Appeal. On July 05, 2015 Income tax appellate Tribunal (ITAT) has ordered AO to relook in to the case for fresh assessment after giving opportunity to the Company. The Management is reasonably confident that no liabilities shall arise on the Company .	1.13	1.04	-
u	The Company earns interest income on funds lent to various parties. The Company contends that such interest income are earned from existing and potential business associations and whereby concluded that such interest income has arisen from the Company's business activities and can be netted off with the interest expenditure which are incurred for business purposes while computing the deduction as per the provisions of section 80IAB of the Income Tax Act, 1961.The management represent that the the Company's tax assessments is completed till assessment year 2013-14, pending appeals with Appellate Tribunal for Assessment Year 2009-10 to 2011-12 and CIT (Appeals) for Assessment Year 2012-13 and 2013-14. The Company has received a favourable order from Appellate Tribunal for assessment year 2008-09. Considering the representation of facts in the matter made by the Company, CIT (Appeals) order upholding the claims of the Company for the earlier years, and based on the expert's advice, the management does not expect the tax liabilities to crystallise on certain interest income earned during the subsequent financials years up to March 31, 2017 and accordingly, no provision is required for income tax on such income. Based on this, the Company has accounted higher MAT credit of ₹101.25 and ₹103.90 crore for year ended March 31, 2017 and year ended March 31, 2016, respectively. Aggregating higher MAT credit entitlement of ₹342.11 crore as at March 31, 2017 (previous year ended March 31, 2016 ₹240.86 crore) has been accounted in the books of the Company.			
v	The Company had initiated and recorded the divestment of its entire equity holding in Adani Abbot Point Terminal Holdings Pty Limited ("AAPTHPL") and entire Redeemable Preference Shares holding in Mundra Port Pty Ltd ("MPPL") representing Australia Abbot Point Port operations to Abbot Point Port Holdings Pte Ltd, Singapore during the year ended March 31, 2013. The sale of securities transaction was recorded as per Share Purchase Agreement ('SPA') entered on March 30, 2013 including subsequent amendments thereto, with a condition to have regulatory and lenders approvals. The Company has all the approvals except in respect of approval from one of the lenders who has given specific line of credit to MPPL. The Company received entire sale consideration except AUD 17.17 Million as on reporting date. The Company also has outstanding corporate guarantee to a lender of USD 800 million against line of credit to MPPL, which is still outstanding and has also pledged its entire equity holding of 1,000 equity shares of AUD 1 each in MPPL at the reporting date in favour of lender. Outstanding loan against said corporate guarantee as on March 31, 2016 is USD 453.00 million (previous year USD 453 million). Since financial year 2013-14, the Company has received corporate guarantee ('Deed of Indemnity') against above outstanding corporate guarantee from Abbot Point Port Holding Pte Limited, Singapore which is effective till discharge of underlying liability.			

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

39 INTEREST IN A JOINTLY CONTROLLED ENTITIES

The company holds 50% interest in Adani International Container Terminal Private Limited and Adani CMA Mundra Terminal Private Limited, respectively, jointly controlled entities incorporated in India.

The company's share of the assets, liabilities, income and expenses of the jointly controlled entities as follows:

(₹ in crore)

Particulars	Adani CMA Mundra Terminal Private Limited			Adani International Container Terminal Private Limited		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Share Capital and Reserve & Surplus	22.64	32.06	31.29	274.16	247.22	262.48
Non-current Liabilities	204.30	-	-	809.99	557.27	521.86
Current Liabilities	104.45	205.65	0.28	107.24	295.88	335.47
Non-current Assets	330.09	226.34	-	1,101.86	1,081.19	1105.14
Current Assets	1.30	11.37	31.57	89.53	19.18	14.68
Revenue	**3.26**	**1.26**		**263.55**	**218.40**	
Operating Expenses	-	-		(53.10)	(48.92)	
Terminal Royalty Expenses	-	-		(43.73)	(39.30)	
Employee Benefit Expenses	-	-		(3.25)	(2.98)	
Depreciation Expenses	(9.92)	-		(59.14)	(58.87)	
Other Expenses	(0.20)	(0.07)		(6.21)	(5.22)	
Finance charges	(2.55)	(0.03)		(29.32)	(48.99)	
Profit / (Loss) before tax	**(9.41)**	**1.16**		**68.80**	**14.12**	
Income-tax expense		(0.39)		(41.93)	(29.39)	
Profit / (Loss) after tax	**(9.41)**	**0.77**		**26.87**	**(15.27)**	
Capital and Other Commitments	**771.28**	**-**	**-**	**1,101.08**	**1,202.59**	**0.01**
Contingent liability not accounted for	**-**	**-**	**-**	**5.24**	**-**	**-**

40 BUSINESS COMBINATIONS

(a) Acquisition of The Adani Harbour Services Private Limited

The Company has acquired 100% equity stake of The Adani Harbour Services Private Limited (formerly known as TM Harbour Services Private Limited),engaged in business of marine port services pursuant to share purchase agreement signed on December 07, 2016, at a consideration of ₹106.27 crores.

The fair value of the identifiable assets and liabilities of The Adani Harbour Services Private Limited as at the date of acquisition were:

(₹ in crore)

Particulars	Fair value recognised on acquisition
Assets	
Property, Plant and Equipment	59.35
Non Current tax assets (net)	0.47
Inventories	1.54
Trade Receivables	22.54
Cash and Cash Equivalents	1.07
Other Current Assets	0.91
Total Assets	**85.88**
Liabilities	
Trade Payables	0.08
Current Tax Liabilities (net)	0.06
Total Liabilities	**0.14**
Total identifiable net Assets at fair value	85.74
Goodwill arising on Acquisition	20.53
Purchase Consideration Transferred	106.27

From the date of acquisition, The Adani Harbour Services Private Limited has contributed ₹9.28 Crore and ₹4.85 Crore to the profit before tax of the Group. If the combination had taken place at the beginning of the year, revenue would have been ₹29.46 Crore and the profit before tax for the group would have been ₹15.97 crore.

40 BUSINESS COMBINATIONS (contd.)

(b) Provisional business combination accounting for the acquisition of Abbot Point bulkcoal Pty Limited

On September 19, 2016, the Abbot Point Operations Pty Limited("APO") a wholly owned subsidiary in Australia had executed a Share Sale Agreement to acquire 100% of the ordinary share capital of Abbot Point Bulkcoal Pty Ltd ("APB") from Glencore Coal Queensland Pty Limited (the "Seller"). APB is an unlisted company based in Australia, engaged in the business of operations of Abbot Point Coal Terminal 1 ("APCT 1"). The purchase price of shares is Australian dollar AUD 1 plus a completion adjustment.

APO also entered into Abbot Point Coal Terminal Operation and Maintenance Contract Variation Agreement ("Variation Agreement") with Adani Abbot Point Terminal Pty Ltd, the owner of APCT 1. Under the Variation Agreement, APO paid AUD15.4 million as security deposit and AUD 3.5 million (excluding GST) in relation to the Operations and Maintenance Agreement.

Post-acquisition, the APO becomes the 100% owner of APB and has the control of Operations and Maintenance Agreement with Adani Abbot Point Terminal Pty Ltd for the operations of APCT 1.

The acquisition of the APB shares was subject to a number of conditions precedent. The condition precedent were satisfied on October 04, 2016 and the APO obtained control of APB on that date. As such, APO has accounted for the business combination as at October 04, 2016.

At March 31, 2017, APO is yet to finalise the quantum of the completion adjustment with the Seller, accordingly, no impact of the completion adjustment has been reflected in the provisional business combination accounting. The impact of the completion adjustment will be reflected in the final purchase consideration for the business combination.

The provisional business combination accounting resulted in the following fair values being allocated to the identifiable assets and liabilities of APB at the acquisition date

Particulars	AUD	(₹ in crore)
Assets		
Property, plant and Equipment	5,63,062	2.87
Inventories	39,34,443	20.05
Trade Receivables	67,18,496	34.23
Cash and Cash Equivalents	18,03,158	9.19
Other Current Assets	3,90,881	1.99
Total Assets	**1,34,10,040**	**68.33**
Liabilities		
Other Non Current Liabilities	32,83,816	16.73
Trade Payables	55,91,247	28.43
Other Current Liabilities	55,84,294	28.45
Total Liabilities	**1,44,59,357**	**73.61**
Total identifiable net liabilities at fair value	**(10,49,317)**	**(5.28)**
Goodwill arising on Acquisition (refer note (i) (ii) and (iii) below)	10,49,318	5.28
Purchase Consideration Transferred	1	-*

* Amount nullified on conversion to ₹in crore.

(i) At March 31, 2017, APO is yet to finalise the quantum of the completion adjustment with the Seller, accordingly, no impact of the completion adjustment has been reflected in the provisional business combination accounting. The impact of the completion adjustment will be reflected in the final purchase consideration for the business combination.

(ii) For the purpose of the provisional business combination accounting, the difference between the provisional purchase consideration and the fair value of tangible assets, liabilities and contingent liabilities acquired has been allocated to goodwill. Inter alia, the amount of goodwill recognised is expected to change as a result of the finalisation of the completion adjustment (noted above) and the recognition of deferred tax consequences of the business combination (refer below).

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

(iii) Given the completion adjustment has not been finalised at March 31, 2017, it is not practical to estimate the deferred tax consequences of the business combination. As such, no deferred tax assets or liabilities are include in the identifiable net assets acquired. To the extent, deferred tax assets or liabilities are required to be recognised as a consequence of the transaction, this will affect the quantum of goodwill provisionally recorded as part of the business combination accounting.

In addition, other expenses in the consolidated statement of profit and loss includes ₹2.19 crore of transaction cost in respect of the acquisition.

Since acquisition, APB's contribution to the Groups profit before tax for the period ended March 31, 2017 is a profit ₹9.38 crore (equivalent to AUD 1.86 million). If the combination had taken place at the beginning of the year, the Group's profit before tax would have been ₹18.12 crore (equivalent to AUD 3.65 million).

41 ADDITIONAL INFORMATION OF NET ASSETS AND SHARE IN PROFIT OR LOSS CONTRIBUTED BY VARIOUS ENTITIES AS RECOGNISED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013

(₹ in crore)

Name of entity	As on and for the year ended March 31, 2017							
	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	as % of Consolidated net assets	Amount	as % of Consolidated Profit or Loss	Amount	as % of Consolidated Other Comprehensive income	Amount	as % of Consolidated Total Comprehensive income	Amount
Parent Company								
Adani Ports and Special Economic Zone Limited	38.06%	6,722.95	79.55%	3,111.47	145.96%	12.29	79.69%	3,123.76
Subsidiary Companies								
Indian								
The Dhamra Port Company Ltd.	23.13%	4,086.71	9.98%	390.43	4.16%	0.35	9.97%	390.78
Adani Hazira Port Pvt. Ltd.	14.94%	2,639.45	12.06%	471.54	3.56%	0.30	12.04%	471.84
Adani Petronet (Dahej) Port Pvt. Ltd.	4.60%	812.27	1.75%	68.38	-77.91%	(6.56)	1.58%	61.82
Adani Murmugao Port Terminal Pvt. Ltd.	1.87%	331.13	-0.20%	(7.84)	-0.12%	(0.01)	-0.20%	(7.85)
Adani Logistics Ltd.	2.70%	476.93	0.24%	9.31	1.19%	0.10	0.24%	9.41
Adani Vizag Coal Terminal Pvt. Ltd.	0.95%	168.01	-1.03%	(40.23)	0.24%	0.02	-1.03%	(40.21)
Adani Warehousing Services Pvt. Ltd.	0.00%	0.07	0.00%	(0.05)	-	-	0.00%	(0.05)
Adani Hospitals Mundra Pvt. Ltd.	0.02%	3.74	0.01%	0.31	-	-	0.01%	0.31
Mundra International Airport Pvt. Ltd.	0.01%	1.79	-0.03%	(1.36)	-	-	-0.03%	(1.36)
Mundra SEZ Textile And Apparel Park Pvt. Ltd.	-0.18%	(31.49)	-0.10%	(3.92)	-	-	-0.10%	(3.92)
MPSEZ Utilities Pvt. Ltd.	0.27%	48.08	0.02%	0.70	0.36%	0.03	0.02%	0.73
Adani Ennore Container Terminal Pvt Ltd	2.76%	487.79	0.00%	(0.14)	-	-	0.00%	(0.14)
Karnavati Aviation Pvt. Ltd.	0.50%	88.92	-0.07%	(2.83)	1.31%	0.11	-0.07%	(2.72)
Hazira Infrastructure Pvt. Ltd.	0.00%	(0.77)	-0.05%	(2.00)	-	-	-0.05%	(2.00)
Mundra LPG Infrastructure Pvt. Ltd	0.00%	(0.06)	0.00%	(0.01)	-	-	0.00%	(0.01)
Adani Kandla Bulk Terminal Pvt. Ltd.	4.94%	872.37	-2.34%	(91.34)	0.48%	0.04	-2.33%	(91.30)
Shanti Sagar International Dredging Pvt. Ltd.	0.00%	(0.03)	0.00%	(0.11)	-	-	0.00%	(0.11)
Adani Vizhinjam Port Pvt. Ltd	3.26%	575.07	-0.05%	(1.94)	-	-	-0.05%	(1.94)
Adani Kattupalli Port Pvt. Ltd	0.16%	28.55	-0.41%	(16.11)	-	-	-0.41%	(16.11)
Adani Dhamra LPG Terminal Pvt. Ltd.	0.01%	0.89	0.00%	(0.01)	-	-	0.00%	(0.01)
Mundra LPG Terminal Pvt. Ltd.	0.08%	14.91	0.00%	(0.15)	-	-	0.00%	(0.15)
Dhamra LNG Terminal Pvt. Ltd	0.50%	88.99	-	-	-	-	-	-
Adani Petroleum Terminal Pvt. Ltd.	-0.01%	(1.11)	0.00%	(0.01)	-	-	0.00%	(0.01)
Dholera Infrastructure Pvt. Ltd.	0.00%	(0.76)	-0.01%	(0.39)	-	-	-0.01%	(0.39)
Dholera Port and Special Economic Zone Ltd.	-0.01%	(2.45)	-0.01%	(0.30)	-	-	-0.01%	(0.30)
Adinath Polyfills Pvt. Ltd.	-0.01%	(1.76)	0.01%	0.54	-	-	0.01%	0.54

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

41 ADDITIONAL INFORMATION OF NET ASSETS AND SHARE IN PROFIT OR LOSS CONTRIBUTED BY VARIOUS ENTITIES AS RECOGNISED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013 (contd.)

(₹ in crore)

Name of entity	As on and for the year ended March 31, 2017							
	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	as % of Consolidated net assets	Amount	as % of Consolidated Profit or Loss	Amount	as % of Consolidated Other Comprehensive income	Amount	as % of Consolidated Total Comprehensive income	Amount
The Adani Harbour Services Pvt. Ltd.	-0.08%	(13.99)	0.12%	4.88	-	-	0.12%	4.88
Foreign								
Abbott Point Operations Pty Ltd.	0.73%	128.79	-0.10%	(3.96)	-	-	-0.10%	(3.96)
Abbott Point Bulkcoal Pty Ltd.	-0.15%	(26.14)	0.19%	7.37	-	-	0.19%	7.37
Minority interest in all subsidiaries	**0.79%**	**139.24**	**-0.26%**	**(10.02)**	-20.78%	(1.75)	-0.30%	(11.77)
Jointly Controlled Entities (Investments as per equity method)								
Indian								
Adani International Container Terminal Pvt. Ltd.	-	-	0.48%	18.68	-	-	0.48%	18.68
Adani CMA Mundra Terminal Pvt. Ltd.	0.15%	27.13	-0.24%	(9.41)	-	-	-0.24%	(9.41)
Total	**100.00%**	**17,665.22**	**100.00%**	**3,911.52**	**100.00%**	**8.42**	**100.00%**	**3,919.94**

(₹ in crore)

Name of entity	As on and for the year ended March 31, 2016							
	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	as % of Consolidated net assets	Amount	as % of Consolidated Profit or Loss	Amount	as % of Consolidated Other Comprehensive income	Amount	as % of Consolidated Total Comprehensive income	Amount
Parent Company								
Adani Ports and Special Economic Zone Limited	56.52%	7,703.82	99.96%	2,895.86	100.24%	16.60	99.96%	2,912.46
Subsidiary Companies								
Indian								
The Dhamra Port Company Ltd.	6.11%	833.37	2.71%	78.63	-2.36%	(0.39)	2.69%	78.24
Adani Hazira Port Pvt. Ltd.	3.56%	485.15	7.61%	220.51	-2.48%	(0.41)	7.55%	220.10
Adani Petronet (Dahej) Port Pvt. Ltd.	5.90%	804.00	1.99%	57.58	8.70%	1.44	2.03%	59.02
Adani Murmugao Port Terminal Pvt. Ltd.	2.67%	363.28	-2.77%	(80.26)	-0.12%	(0.02)	-2.76%	(80.28)
Adani Logistics Ltd.	12.87%	1,753.98	0.06%	1.87	-0.12%	(0.02)	0.06%	1.85
Adani Vizag Coal Terminal Pvt. Ltd.	1.45%	197.69	-2.23%	(64.67)	-	-	-2.22%	(64.67)
Adani Warehousing Services Pvt. Ltd.	0.00%	(0.02)	0.00%	(0.02)	-	-	0.00%	(0.02)
Adani Hospitals Mundra Pvt. Ltd.	0.03%	4.19	0.02%	0.46	-	-	0.02%	0.46
Mundra International Airport Pvt. Ltd.	0.03%	4.47	-0.06%	(1.84)	-	-	-0.06%	(1.84)
Mundra SEZ Textile And Apparel Park Pvt. Ltd.	-0.03%	(4.35)	-0.20%	(5.83)	-	-	-0.20%	(5.83)
MPSEZ Utilities Pvt. Ltd.	0.05%	7.05	-0.14%	(3.95)	0.12%	0.02	-0.13%	(3.93)
Adani Ennore Container Terminal Pvt Ltd	3.04%	414.49	0.00%	(0.03)	-	-	0.00%	(0.03)
Karnavati Aviation Pvt. Ltd.	0.71%	96.40	-1.16%	(33.61)	0.30%	0.05	-1.15%	(33.56)
Hazira Infrastructure Pvt. Ltd.	0.01%	1.21	0.02%	0.50	-	-	0.02%	0.50
Mundra LPG Infrastructure Pvt. Ltd	0.00%	(0.05)	0.00%	(0.02)	-	-	0.00%	(0.02)
Adani Kandla Bulk Terminal Pvt. Ltd.	5.53%	753.21	-5.32%	(153.99)	-1.75%	(0.29)	-5.29%	(154.28)
Shanti Sagar International Dredging Pvt. Ltd.	0.01%	0.82	-0.01%	(0.23)	-	-	-0.01%	(0.23)
Adani Vizhinjam Port Pvt. Ltd	0.18%	23.93	-0.12%	(3.41)	-	-	-0.12%	(3.41)
Adani Kattupalli Port Pvt. Ltd	0.22%	30.28	-2.20%	(63.62)	-	-	-2.18%	(63.62)

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

41 ADDITIONAL INFORMATION OF NET ASSETS AND SHARE IN PROFIT OR LOSS CONTRIBUTED BY VARIOUS ENTITIES AS RECOGNISED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013 (contd.)

(₹ in crore)

Name of entity	As on and for the year ended March 31, 2016							
	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	as % of Consolidated net assets	Amount	as % of Consolidated Profit or Loss	Amount	as % of Consolidated Other Comprehensive income	Amount	as % of Consolidated Total Comprehensive income	Amount
Adani Dhamra LPG Terminal Pvt. Ltd.	0.00%	(0.05)	0.00%	(0.05)	-	-	0.00%	(0.05)
Mundra LPG Terminal Pvt. Ltd.	-0.01%	(0.69)	0.00%	(0.01)	-	-	0.00%	(0.01)
Dhamra LNG Terminal Pvt. Ltd	0.00%	(0.05)	0.00%	-	-	-	-	-
Adani Petroleum Terminal Pvt. Ltd.	-	-	0.00%	-	-	-	-	-
Dholera Infrastructure Pvt. Ltd.	-	-	-0.19%	(5.47)	-	-	-0.19%	(5.47)
Dholera Port and Special Economic Zone Ltd.	-	-	0.02%	0.46	-	-	0.02%	0.46
Adinath Polyfills Pvt. Ltd.	-0.02%	(2.82)	-0.06%	(1.88)	-	-	-0.06%	(1.88)
The Adani Harbour Services Pvt. Ltd.	-	-	0.00%	-	-	-	-	-
Foreign								
Abbott Point Operations Pty Ltd.	0.00%	(0.36)	-0.01%	(0.35)	0.00%	-	-0.01%	(0.35)
Abbott Point Bulkcoal Pty Ltd.	-	-	-	-	0.00%	-	0.00%	-
Minority interest in all subsidiaries	**0.91%**	**123.96**	**-1.42%**	**(41.26)**	**2.54%**	**0.42**	**-1.40%**	**(40.84)**
Jointly Controlled Entities (Investments as per equity method)								
Indian								
Adani International Container Terminal Pvt. Ltd.	0.00%	-	0.64%	18.50	0.00%	-	0.63%	18.50
Adani CMA Mundra Terminal Pvt. Ltd.	0.27%	36.54	0.03%	0.77	0.00%	-	0.03%	0.77
Total	**100.00%**	**13,629.45**	**100.00%**	**2,897.16**	**100.00%**	**16.56**	**100.00%**	**2,913.72**

42 a) The Company has entered into preliminary agreement with one of the party for development and maintenance of Liquefied Natural Gas (LNG) terminal infrastructure facilities at Mundra (Mundra LNG Project) vide agreement dated September 30, 2014. The Company had during the quarter ended September 30, 2014, recognised project service revenue of ₹200 crore pending conclusion of definitive agreement towards land reclamation based on the activities completed. Based on the agreement the Company and the party are still in the process of concluding a definitive agreement for Mundra LNG Project relating to development and lease of infrastructure facilities (including lease of land) although land is being made available to the party for setting up the project facilities. The possible adjustments, if any, on execution of definitive agreement will be accounted later although the management does not expect any further adjustments in the books and further, the implementation of Mundra LNG project is progressing as on reporting date.

b) As at March 31, 2017, the Company has spent ₹274.00 crores towards development of Port Infrastructure Facilities to support LNG Project at Mundra. Based on broader understanding as per Preliminary agreement between the Company and the party, the Company expects to sale / lease these infrastructure facilities once definitive agreement for Mundra LNG Project is concluded.

c) As at March 31, 2017, the Company has spent cost of ₹1,062.33 crores (previous year ₹493.00 crore) towards development of Container Infrastructure Facilities for subsequent to sale / lease to jointly controlled entities Adani International Container Terminal Private Limited and Adani CMA Mundra Terminal Private Limited in terms of arrangement with jointly controlled entities. The Company expects to sale / lease these infrastructure facilities once necessary approvals from concerned government authorities are received.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

43 a) The Company is carrying equity investment of ₹101.28 crore and has outstanding net term loan of ₹290.09 crore in a subsidiary, engaged in Port services under concession from one of the port trust authorities of the Government of India. This subsidiary company is temporarily not operating the port operations since January 2016 due to various operational bottlenecks, unviability of operating the port terminal, pending resolution to management's representation to port regulatory authorities and Ministry of Shipping in the matter. The management of the subsidiary company expects to have early resolution to operational issues at Port terminal whereby long term sustainability of the operations is achievable with adequate cash flows. The subsidiary had incurred net cash loss in current year as well as previous year and has accumulated losses of ₹137.99 crores as at March 31, 2017, whereby subsidiary company's net worth has become negative. The Company has undertaken to provide such financial support, as necessary, to enable the subsidiary company to meet the operational requirements as they arise and to meet its liabilities as and when they fall due and does not expect any impairment provision against its exposure. Accordingly, these financial results of the subsidiary company have been prepared on a 'going concern' basis, no provision/adjustments to the carrying value of the said investments/loans is considered necessary by the management as at March 31, 2017.

b) The Company is carrying equity investments of ₹122.50 crore and has outstanding net term loans and advances of ₹1,170.51 crore, in subsidiary company engaged in Port services under concession agreement with the port trust authorities of Government of India and in business of development of integrated textile park at Mundra SEZ. The net worth of these Companies have been eroded based on the latest financial statements.

As per the management, considering the gestation period required for break even for such infrastructure investment projects, expected higher cash flows based on future business projections prepared by the management and the strategic nature of these investments, no provision/adjustment to the carrying value of such investment project / loans is considered necessary by the management as at March 31, 2017.

44 a) During the year, the Board of Directors of the Company has approved the scheme of arrangement entered between the Company and its subsidiary, The Adani Harbour Services Private Limited (TAHSPL) whereby it is proposed to transfer its Marine Business Operations having net assets value of ₹397.16 crores (excluding borrowings of ₹111.21 crore) to TAHSPL at a consideration of ₹200 crores (as adjusted by loans and interest accrued thereon, if any) based on the fair valuation report taken by the Company from the external experts.

Further, during the year, the Board of Directors of the subsidiary companies, Adani Hazira Port Private Limited and Adani Petronet Dahej Port Private Limited have approved the scheme of arrangement entered between the respective company and TAHSPL whereby it is proposed to transfer their Marine Business Operations having net assets value of ₹357.64 crores to TAHSPL at a consideration of ₹243 crores based on the fair valuation report taken by the Company from the external experts.

The aforesaid Schemes are subject to the approval of creditors, shareholders and National Company Law Tribunal ('NCLT'). Pending aforesaid approvals, the Group has not taken effect of the draft schemes in financial statements for year ended March 31, 2017.

b) During the year ended March 31, 2016, the Company had given effect of composite scheme of arrangement w.e.f. April 01, 2015 as per sanction of Honourable High Court of Gujarat and filing of scheme with Registrar of Companies. In accordance with the terms of the scheme of arrangement, the Company has issued new equity shares to the equity shareholders of Adani Enterprises Limited ("AEL") in the ratio of 14,123 equity shares having face value of ₹2 each for every 10,000 equity shares with a face value of ₹1 held by each of the equity shareholders of AEL on June 08, 2015 and accordingly the equity shares held by AEL in the Company were cancelled pursuant to the scheme. Also the Company recorded the assets and liabilities of the Port Undertaking of AEL, transferred to and vested in the Company pursuant to this Scheme, at values appearing in the books of account of AEL as on the Appointed Date.

The excess of the Net Assets Value of the Port Undertaking, transferred and recorded by the Company over the face value of the new equity shares allotted amounting to ₹26.80 Crore has been credited to General Reserve Account of the Company as per the directions mentioned in the court scheme.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

45 IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through business combination pertains to following Cash Generating Units (CGUs) which are part of "Port and SEZ Activities" Segment:

(₹ in crore)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
The Dhamra Port Company Ltd	2,559.31	2,559.31	2,559.31
Adani Kandla Bulk Terminal Pvt Ltd	0.06	0.06	0.06
Abbot Point Bulkcoal Pty Ltd	5.28	-	-
The Adani Harbour Services Pvt Ltd	20.53	-	-
Adani Petronet (Dahej) Port Pvt Ltd	0.22	0.22	0.22
Adani Logistics Ltd	2.71	2.71	2.71
Adinath Polyfills Pvt Ltd	37.42	37.42	37.42
Dholera Port and Special Economic Zone Ltd	-	-	2.28
Goodwill relating to Merger of Mundra Port	44.86	44.86	44.86

The goodwill is tested for impairment annually and as at March 31, 2017, the goodwill was not impaired.

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money. The growth rates are based management's forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares its forecasts based on the most recent financial budgets approved by management with projected revenue growth rates ranging from 6% to 20%.

The rates used to discount the forecasts is 8.5%.p.a.

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

46 DISCLOSURE OF SPECIFIED BANK NOTE

Schedule III of the Companies Act, 2013 was amended by Ministry of Corporate Affairs vide Notification G.S.R. 308(E) dated 30th March, 2017. The said amendment requires the Company to disclose the details of Specified Bank Notes ("SBNs") held and transacted during the period from 8th November, 2016 to 30th December, 2016. For the purpose of this clause, the term 'Specific Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8th November, 2016.

Details of Specified Bank Notes held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as follows:

(₹ in crore)

Particulars	SBNs	Other Denomination notes	Total
Closing cash on hand as on November 08, 2016	**0.12**	**0.01**	**0.13**
(+) Permitted receipts (including Others as per note below)	0.45	3.44	3.89
(-) Permitted payments	0.04	0.11	0.15
(-) Amount deposited in banks	0.53	3.31	3.84
Closing cash on hand as on December 30, 2016	-	**0.03**	**0.03**

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

46 DISCLOSURE OF SPECIFIED BANK NOTE (contd.)

Note:

As per the management, other receipts of SBNs were collected at port premises which is in nature of infrastructure utilities like toll collection, railways and airport, etc. and thus, to ensure smooth flow of cargo, the Group has collected fees as part of normal Port services business operations from the truck operators which were already there at the port premises during initial few days after November 8, 2016. The Group has also represented to Income Tax Authorities that collection of ₹0.42 crores from truck operators were collected due to difficulties faced in running the business and were unavoidable. On the basis of above explanation, the Group, supported by an independent legal opinion that port is a public utility service, is of the considered view that its decision to collect such SBNs in terms of notification no. S.O. 3407(E) dated November 8, 2016 issued by the Ministry of Finance and information disclosed above is as per the normal operations of the Port business. Thus SBNs received are as per the circular/ disclosure format issued by Ministry of Corporate Affairs vide notification no. G.S.R. 308(E) dated March 30, 2017.

47 FIRST-TIME ADOPTION OF IND-AS

These Consolidated financial statements, for the year ended March 31, 2017, are the first the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Group prepared its annual Consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Group has prepared Consolidated financial statements which comply with Ind AS applicable for the year ended on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. This note explains the principal adjustments made by the Group in restating its Indian GAAP consolidated financial statements, including the consolidated balance sheet as at April 01, 2015 the Group's date of transition to Ind-AS and consolidated financial statements as at and for the year ended March 31, 2016.

47.1 Exemptions availed on the first time adoption of Ind AS 101

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following Ind AS 101 exemptions from the transition date i.e. April 01, 2015 :

(a) Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before transition date i.e., April 01, 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS consolidated balance sheet. The Group did not recognise or derecognised any previously recognised amounts as a result of Ind AS recognition requirements.

Ind AS 101 also requires that Indian GAAP carrying amount of goodwill must be used in the opening Ind AS consolidated balance sheet (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with Ind AS 101, the Group has tested goodwill for impairment at the date of transition to Ind AS. No goodwill impairment was deemed necessary at April 01, 2015.

(b) The Group has elected to avail exemption under Ind AS 101 to use Indian GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment and intangible assets as per the statement of financial position prepared in accordance with previous GAAP.

(c) The Group has designated unquoted equity instruments other than investments in jointly controlled entities held at April 01, 2015 as fair value through OCI investments.

The Group has elected to measure investments in jointly controlled entities as per the statement of financial position prepared in accordance with previous GAAP as a deemed cost at the date of transition as per exemption available under Ind AS 101.

Interest in the jointly controlled entities through fair valuation of loan transaction and financial guarantees at initial

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

recognition on transition date had been accounted as investments in accordance with Ind AS 109 in the interim financial statements during the year. However, in its first Ind AS consolidated financial statements, the Company has accounted such interest on account of fair valuation of interest free loans and financial guarantees on transition date to the retained earnings.

(d) The Group has elected to avail exemption under Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding and recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

(e) Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

(f) The Group holds 50% interest in Adani International Container Terminal Private Limited (AICTPL) and Adani CMA Mundra Terminal Private Limited (ACMTPL), and exercises joint control over the entity. Under Indian-GAAP group has proportionately consolidated its interest in the AICTPL and ACMTPL in the Consolidated Financial Statements. On transition to Ind AS the Group has assessed and determined that AICTPL and ACMTPL are its jointly controlled entities under Ind AS 111 Joint Arrangements. Therefore, it needs to be accounted for using the equity method as against proportionate consolidation. For the application of equity method, the initial investment is measured as the aggregate of carrying amount of assets and liabilities that the group had previously proportionately consolidated.

(g) The Group has evaluated that it is impracticable to apply Appendix A to Ind AS 11 relating to Service Concession Arrangements retrospectively, and accordingly elected to apply exemption under Ind AS 101, use previous carrying amounts of intangible assets, after testing for impairment, as their carrying amounts at the date of transition to Ind AS.

(h) Estimates :

The estimates at April 01, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVTOCI – unquoted equity shares
- Impairment of financial assets based on the risk exposure and application of ECL model

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 01, 2015, the date of transition to Ind AS and as of March 31, 2016.

(i) Fair value measurement of financial assets or liabilities

The Group has applied provision of Ind AS 109 for financial assets or liabilities measured at fair value prospectively to transactions occurring on or after date of transition to Ind AS.

47.2 The Company's management had previously issued its audited consolidated financial statements for the year ended March 31, 2016 on May 03, 2016, that were all prepared in accordance with the recognition and measurement principles of the Companies (Accounting Standards) Rules, 2006 prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and other accounting principles generally accepted in India ('Previous GAAP'). The Group's management has now prepared the Ind AS consolidated Financial Statements for the year ended March 31,2017 in accordance with the recognition and measurement principles laid down by the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with para 7 of the Companies (Accounts) Rules, 2015 as amended and other accounting principles generally accepted in India.

The Group has prepared a reconciliation of the amounts of net profit as reported under the Previous GAAP to those computed as per Ind AS and the same is given in note no. 47.3 and 47.4.1 below. The Company has also prepared a reconciliation of the amounts of total equity as reported under the Previous GAAP to those computed as per Ind AS and the same is given in note no. 47.3 and 47.4.2 below.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

47.3 Reconciliation of equity as at April 01, 2015 and March 31, 2016

(₹ in crore)

Particulars	Foot Notes	March 31, 2016 (Last period presented under IGAAP)			April 01, 2015 (Date of transition)		
		IGAAP	Adjustment	Ind AS	IGAAP	Adjustment	Ind AS
Assets							
Non-current assets							
Property, plant and equipment	c,e,i	18,339.24	(1,872.64)	16,466.60	17,807.66	(1,856.81)	15,950.85
Capital work-in-progress	c,e,i	2,386.63	(419.87)	1,966.76	1,275.55	(188.62)	1,086.93
Goodwill	d	2,599.72	44.86	2,644.58	2,599.72	47.14	2,646.86
Other Intangible assets	c, l	112.57	1,659.47	1,772.04	119.51	1,637.82	1,757.33
Financial assets							
Investments	g, l	207.89	200.61	408.50	57.35	172.19	229.54
Trade receivables		22.00	-	22.00	438.86	-	438.86
Loans	b	7,696.77	(4,782.83)	2,913.94	2,490.13	(2,438.99)	51.14
Other financial assets	b, l	-	2,139.37	2,139.37	-	603.22	603.22
Deferred tax assets (net)	j, l	0.07	1,422.59	1,422.66	-	876.30	876.30
Other non-current assets	b, l	1,338.06	451.64	1,789.70	502.55	223.64	726.19
		32,702.95	**(1,156.80)**	**31,546.15**	**25,291.33**	**(924.11)**	**24,367.22**
Current assets							
Inventories	l	213.74	(1.85)	211.89	259.19	(2.34)	256.85
Financial assets		-					
Investments	b	136.57	0.11	136.68	202.87	0.01	202.88
Trade receivables	b, l	1,943.69	(7.11)	1,936.58	1,287.77	28.43	1,316.20
Customers' bills discounted	b	-	499.51	499.51	-	449.67	449.67
Cash and cash equivalents	b, l	855.71	(12.71)	843.00	485.49	(40.26)	445.23
Bank balances other than above		435.24	-	435.24	148.29	-	148.29
Loans	b	2,335.97	(768.12)	1,567.85	3,659.80	(252.64)	3,407.16
Loans - Jointly controlled Entities	b, l	-	-	-	84.00		84.00
Other financial assets	b, l	-	599.96	599.96	-	361.01	361.01
Other current assets	b, l	740.60	88.53	829.13	663.45	(111.92)	551.53
		6,661.52	**398.32**	**7,059.84**	**6,790.86**	**431.96**	**7,222.82**
Total assets		**39,364.47**	**(758.48)**	**38,605.99**	**32,082.19**	**(492.15)**	**31,590.04**
Equity and liabilities							
Equity							
Share capital	f	417.00	(2.81)	414.19	416.82	(2.81)	414.01
Other equity		12,806.63	284.67	13,091.30	10,351.05	515.42	10,866.47
Equity attributable to equity holders of the parent	Refer note 47.4.2	**13,223.63**	**281.86**	**13,505.49**	**10,767.87**	**512.61**	**11,280.48**
Non-controlling interests	b,e	142.88	(18.92)	123.96	158.98	(20.18)	138.80
Total equity		**13,366.51**	**262.94**	**13,629.45**	**10,926.85**	**492.43**	**11,419.28**
LIABILITIES							
Non-current liabilities							
Financial liabilities							
Borrowings	b, l	16,305.56	(485.89)	15,819.67	13,849.78	(527.84)	13,321.94
Other financial liabilities	b	-	99.35	99.35	-	324.05	324.05
Provisions		73.07	(68.27)	4.80	292.78	(288.78)	4.00
Deferred tax liabilities	j	1,066.53	(845.39)	221.14	859.02	(740.16)	118.86
Other non-current liabilities	b, l	606.35	328.10	934.45	684.56	354.73	1,039.29
		18,051.51	**(972.10)**	**17,079.41**	**15,686.14**	**(878.00)**	**14,808.14**

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

47.3 Reconciliation of equity as at April 01, 2015 and March 31, 2016 (contd.)

(₹ in crore)

Particulars	Foot Notes	March 31, 2016			April 01, 2015		
		(Last period presented under IGAAP)			(Date of transition)		
		IGAAP	Adjustment	Ind AS	IGAAP	Adjustment	Ind AS
Current liabilities							
Financial liabilities							
Borrowings	b	3,194.16	(60.35)	3,133.81	1,305.55	(16.87)	1,288.68
Customers' bills discounted	b	-	499.51	499.51	-	449.67	449.67
Trade and other payables	l	404.84	(1.55)	403.29	362.34	(6.66)	355.68
Other financial liabilities	b	-	3,467.81	3,467.81	-	2,874.64	2,874.64
Provisions	i	99.93	(38.93)	61.00	479.94	(439.40)	40.54
Liabilities for current tax(net)		-	30.96	30.96	-	43.04	43.04
Other current liabilities	b,e,l	4,247.52	(3,946.77)	300.75	3,321.37	(3,011.00)	310.37
		7,946.45	**(49.32)**	**7,897.13**	**5,469.20**	**(106.58)**	**5,362.62**
Total liabilities		**25,997.96**	**(1,021.42)**	**24,976.54**	**21,155.34**	**(984.58)**	**20,170.76**
Total equity and liabilities		**39,364.47**	**(758.48)**	**38,605.99**	**32,082.19**	**(492.15)**	**31,590.04**

Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016

(₹ in crore)

Particulars	Foot Notes	March 31, 2016		
		IGAAP	Adjustment	Ind AS
Income				
Revenue from operations	l	7,255.73	(147.08)	7,108.65
Other income	e, l	684.82	47.85	732.67
Total income		**7,940.55**	**(99.23)**	**7,841.32**
Expenses				
Operating expenses	a, l	1,791.81	43.49	1,835.30
Employee benefits expense	j,e,d, l	282.17	(6.36)	275.81
Depreciation and amortization expense	b, l	1,079.44	(16.48)	1,062.96
Foreign Exchange (Gain)/Loss (net)	b, l	104.94	(54.64)	50.30
Finance costs	b, l			
- Interest and Bank Charges		1,168.35	25.26	1,193.61
- Derivative Loss/ (Gain) (net)		(69.31)	-	(69.31)
Other expenses	b, l	426.29	(53.08)	373.21
Total expenses		**4,783.69**	**(61.81)**	**4,721.88**
Profit before tax		**3,156.86**	**(37.42)**	**3,119.44**
Tax expense:				
Current tax	l	733.36	(3.40)	729.96
Adjustment of tax relating to earlier periods		(0.27)	-	(0.27)
Deferred tax	j, l	207.43	(40.71)	166.72
Less: Tax (credit) under MAT		(613.60)	-	(613.60)
Total tax expense		**326.92**	**(44.11)**	**282.81**
Net Profit after tax and before share of profit/(loss) from jointly controlled entities		2,829.94	6.69	2,836.63
Share of profit from jointly controlled entities	l	(4.68)	23.95	19.27
Profit for the year		**2,825.26**	**30.64**	**2,855.90**
Attributable to:				
Equity holders of the parent		2,867.36	29.80	2,897.16
Non-controlling interests		(42.10)	0.84	(41.26)

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016 (contd.)

(₹ in crore)

Particulars	Foot Notes	March 31, 2016		
		IGAAP	Adjustment	Ind AS
Other Comprehensive Income				
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods	a, k			
Re-measurement gains (losses) on defined benefit plans			(3.38)	(3.38)
Income tax impact			1.17	1.17
		-	**(2.21)**	**(2.21)**
Net Gains on FVTOCI Equity Investments			23.16	23.16
Income tax impact			(3.97)	(3.97)
		-	**19.19**	**19.19**
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods			16.98	16.98
Other Comprehensive Income for the year		-		
Total comprehensive income for the year, net of tax		**2,825.26**	**47.62**	**2,872.88**
Attributable to:				
Equity holders of the parent		2,867.36	46.36	2,913.72
Non-controlling interests		(42.10)	1.26	(40.84)

47.4 Reconciliation of total comprehensive income between previously reported (referred to as "Previous GAAP") and Ind AS for the year ended March 31, 2016 is presented as under : -

47.4.1 Reconciliation of Total Comprehensive Income:-

(₹ in crore)

Nature of Adjustments	Year Ended March 31, 2016
Net Profit as per Previous GAAP	**2,867.36**
i) Re-measurement cost of net defined benefit liability (refer note (a) below)	2.20
ii) Net gain/(loss) on financial assets / liabilities fair valued through statement of profit and loss (refer note (b) below)	7.14
iii) Restatement of profits eliminated in case of ports assets accounted as Intangible covered under Appendix A to Ind AS 11 (refer note (c) below)	(5.13)
iv) Reversal of amortisation of goodwill (refer note (d) below)	2.81
v) Measurement of Grant as deferred income (refer note (e) below)	1.02
vi) Finance cost on liability component of Preference Shares (refer note (f) below)	(6.23)
vii) Change in accounting of jointly controlled entities from Proportionate Consolidation to Equity Method and consolidation of subsidiary on defacto control basis. (refer note(l) below)	11.08
viii) Deferred tax impact on Ind AS adjustments (refer note (j) below)	16.91
Total	**29.80**
Net profit before OCI as per Ind AS	**2,897.16**
Other comprehensive Income (net of tax)	16.56
Total comprehensive income as per Ind AS	**2,913.72**

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

47.4.2 Reconciliation of total Equity

(₹ in crore)

Nature of Adjustments		As on April 01, 2015	Year Ended March 31, 2016
Equity as per Previous GAAP		**10,767.87**	**13,223.63**
Add:			
i)	Fair Valuation of Financial Assets and Liabilities (refer note (b) below)	(17.34)	(11.95)
ii)	Fair Valuation of Equity Investments through OCI (refer note (g) below)	116.76	135.53
iii)	Restatement of profits eliminated in case of ports assets accounted as Intangible as per Appendix A to Ind AS 11 (refer note (c) below)	99.49	94.36
iv)	Reversal of Goodwill Amortisation (refer note (d) below)	2.28	2.81
v)	Reclassification of grant and its amortisation (refer note (e) below)	(23.39)	(16.10)
vi)	Adjustment for uniform Accounting Policy (refer note (i) below)	(14.11)	(13.65)
vii)	Fair valuation of preference shares (refer note (f) below)	(143.58)	(147.75)
viii)	Reversal of Proposed Dividend and dividend distribution Tax thereon (refer note (h) below)	274.06	-
ix)	Change in accounting of jointly controlled entities from Proportionate Consolidation to Equity Method and consolidation of subsidiary on defacto control basis. (refer note(l) below)	47.42	64.18
x)	Other Adjustments	-	(9.06)
xi)	Deferred Tax on Ind AS adjustments (refer note (j) below)	171.02	183.49
	Total adjustments	**512.61**	**281.86**
	Equity as per Ind AS to the extent pertaining to equity shareholders of parent	11,280.48	13,505.49

Footnotes to the reconciliation of profit and loss for the year ended March 31, 2016 and equity as at April 01, 2015 and March 31, 2016 :

a) Remeasurement cost of net defined liability : Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to consolidated Statement of Profit and Loss. Under Ind AS, 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 are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

b) Classification and fair value measurement of Financial Assets and Financial Liabilities: The Company has assessed the classification and fair value impact of financial assets and liabilities under Ind AS 32/Ind AS 109 on the basis of the facts and circumstances at the transition date. Impact of fair value changes as on date of transition, is recognised in opening reserves and changes thereafter are recognised in consolidated Statement of Profit and Loss or Other Comprehensive Income, as the case may be.

Customers bills discounted has been recognised as financial assets and liabilities as the Group has retained substantially all risks and rewards of ownership of the transferred assets based on arrangements with the bankers and the customers.

Borrowings (part of Financial Liabilities) - Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability measured at amortised cost and charged to Statement of Profit and Loss using the Effective Interest Rate (EIR) method.

MTM on derivative financial instruments : Under previous GAAP, the net mark to market losses on derivative financial instruments, other than those designated as cash flow hedges, as at the Balance Sheet date, were recognised in profit and loss, and the net gains, if any, were ignored. Under Ind AS, such derivative financial instruments are to be recognised at fair value and the movement is recognised in the consolidated statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

47.4.2 Reconciliation of total Equity (contd.)

c) Restatement of profits eliminated in case of port assets accounted as intangible asset covered under Appendix A to Ind AS 11 :-

(i) The profit/loss on intra-group transactions related to major ports covered under the guidance given in Appendix A of Ind As 11 ' Service Concession Arrangements', have been considered as realised and accordingly, not required to be eliminated. Under previous GAAP, the profit/loss arising on intra-group transactions have been eliminated in full.

(ii) Three subsidiary companies of the group have signed long term concession agreements with different major port trusts. The assets of these companies have been considered as Property, Plant & Equipment under IGAAP. As per Appendix A to Ind AS 11, such public private service concession arrangements gets classified as intangible assets and accordingly disclosed in the financials.

d) Goodwill: The goodwill recognised on amalgamation transaction in earlier years was amortised under previous GAAP however the same has been recognised at previous GAAP carrying value in accordance with Ind AS 101 transition provisions and is tested for impairment. Amount charged to statement of profit and loss is accordingly reversed.

e) Measurement of Government Grant as Deferred Income: The government grant related to Property, Plant and Equipment was netted off with the cost under the previous GAAP. The same is accounted as cost to the fixed assets and correspondingly deferred income under Ind-AS.One of the subsidiary has received government grant which was accounted in the capital reserves considering it in the nature of promoters' equity under IGAAP. The same is reclassified as deferred government grant as per IND AS and is amortised over the useful life of asset.

f) Classification of Preference Shares as Compound Instrument :- The group has issued non-convertible redeemable preference shares. The preference shares carry fixed dividend which is non-discretionary. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit. Under Ind AS, non-convertible preference shares are separated into liability and equity components based on the terms of the contract. Interest on liability component is recognised using the effective interest method.

g) Investment Valuation: Under Indian GAAP, the Group accounted for long term investments in unquoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company's investments in other than subsidiaries and jointly controlled entities are fair valued as FVTOCI investments. The fair value impact at the date of transition to Ind AS and in comparative previous year are adjusted in carrying value of investments under Indian GAAP with impact in the FVTOCI reserve, net of related deferred taxes.

Investments are also adjusted on account of interest arising in the subsidiaries in the comparative previous year due to fair valuation of loan transaction in accordance with Ind AS 109.

h) Reversal of Proposed Dividend and Tax thereon :- Under Indian GAAP, proposed dividends including dividend distribution tax thereon are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.

In the case of the Group, the declaration of final dividend occurs after period end. Therefore, the liability for the year ended on March 31, 2015 recorded for dividend has been derecognised against retained earnings on April 01, 2015 and the same liability was recognised in the financial year 2015-16.

i) Adjustment for uniform Accounting Policy :- Under Indian GAAP, there is no specific guidance for contracts that involves of land. Under Ind AS, leases of land is recognised as operating or finance lease as per definition and classification criteria. Where the land lease is for several decades, generally it qualifies as a finance lease even though the right of land may not transfer at the end of the lease term. On account of this, the lease is reclassified from operating to finance lease.

j) Deferred Tax Adjustments : Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

47.4.2 Reconciliation of total Equity (contd.)

various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.Further, tax credits in the form of minimum alternate tax credit entitlement is classified as deferred tax under Ind AS.

k) Other comprehensive income : Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

l) Jointly control entities accounting : The group holds 50% interest in 2 entities and exercises joint control over these entities. Under Indian-GAAP Group has proportionately consolidated its interest in these companies in the Consolidated Financial Statement. On transition to Ind AS the Group has assessed and determined that these companies are its jointly controlled entities under Ind AS 111 Joint Arrangements and accordingly has accounted for using the equity method as against proportionate method of consolidation.

m) Statement of cash flows : The transition from Indian GAAP to Ind AS does not have a material impact on the consolidated statement of cash flows.

48 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, 2017. 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.

(₹ in crore)

Sn	Particulars	March 31, 2017	March 31, 2016	April 01, 2015
a)	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.			
	Principal	0.56	0.39	0.37
	Interest	Nil	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	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	Nil
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	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 MSMED Act 2006.	Nil	Nil	Nil

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

49 EXPOSURE DRAFTS AND ACCOUNTING STANDARDS NOT YET NOTIFIED

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

(a) Amendments to Ind AS 7, Statement of Cash Flows: The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after April 01, 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

(b) Amendments to Ind AS 102, Share-based Payment: The MCA has issued amendments to Ind AS 102 that address three main areas

i) the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction,

ii) the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and

iii) accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after April 01, 2017.

These amendments does not have material impact on Group's financial statements. The Group will adopt these amendments from their applicability date.

50 EVENT OCCURRED AFTER THE BALANCE SHEET DATE

a) The Board of Directors has recommended Equity dividend of ₹1.30 per share for the financial year 2016-17. (refer Note 12 (a)(ii)).

b) On April 24 & 25, 2017 the Company has received approval from National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) regarding the Draft Scheme of Arrangement between the Company and its subsidiary, TAHSPL. Further, on May 18, 2017 the Company and the subsidiaries, Adani Hazira Port Private Limited and Adani Petronet Dahej Port Private Limited, have received Standing instruction from 'National Company Law Tribunal ('NCLT') to hold meeting of its shareholders and creditors regarding their respective Draft Scheme of Arrangement (also refer note 44(a)).

c) Subsequent to year ended March 31, 2017 the Company has incorporated Mundra International Gateway Terminal Private Limited as wholly owned subsidiary on May 17, 2017.

As per our report of even date.

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

per **Arpit K. Patel**
Partner
Membership No. 34032

Place : Ahmedabad
Date: May 24, 2017

For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]
DIN : 00006273

Rajesh S. Adani
[Director]
DIN : 00006322

Dr. Malay Mahadevia
[Wholetime Director]
DIN : 00064110

B Ravi
[Chief Financial Officer]

Place : Ahmedabad
Date: May 24, 2017

Dipti Shah
[Company Secretary]

Form No. AOC - 1

Salient features of the financial statement of Subsidiaries / Joint Ventures Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of The Companies (Accounts) Rules, 2014

PART "A" : Subsidiaries

(₹ in Crore)

Sr. No.	Name of the Subsidiary	Reporting Period	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Invest-ments (other than subsidiary)	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Other Compre-hensive Income	Total Other Compre-hensive Income	Proposed Dividend	% of Share-holding
1	The Dhamra Port Company Limited	2016-17	INR	1,148.00	(132.83)	5,786.23	4,771.06	4.56	1,127.07	389.96	-	389.96	0.35	390.31	-	100%
2	Adani Logistics Limited	2016-17	INR	325.00	75.76	935.17	534.41	0.27	746.87	13.43	4.12	9.31	0.10	9.41	-	100%
3	Adani Hazira Port Private Limited	2016-17	INR	715.47	732.51	4,004.50	2,556.51	5.11	1,036.63	514.31	44.77	469.54	0.30	469.84	-	100%
4	Adani Petronet (Dahej) Port Private Limited	2016-17	INR	346.15	256.77	1,510.88	907.96	24.26	325.16	104.79	37.65	67.15	(6.56)	60.59	-	74%
5	MPSEZ Utilities Private Limited	2016-17	INR	13.14	52.62	81.78	16.03	0.38	121.48	0.52	(0.64)	1.16	0.03	1.19	-	100%
6	Karnavati Aviation Private Limited	2016-17	INR	45.00	(51.00)	340.00	346.00	0.01	66.07	(2.83)	-	(2.83)	0.11	(2.72)	-	100%
7	Adani Murmugao Port Terminal Private Limited	2016-17	INR	115.89	(86.67)	460.31	431.09	-	59.05	(7.85)	-	(7.85)	(0.01)	(7.86)	-	100%
8	Adani Vizag Coal Terminal Private Limited	2016-17	INR	101.28	(119.84)	345.71	364.27	-	0.83	(33.58)	6.65	(40.23)	0.02	(40.21)	-	100%
9	Adani Hospitals Mundra Private Limited	2016-17	INR	0.30	1.44	6.43	4.69	-	7.95	0.30	(0.02)	0.31	-	0.31	-	100%
10	Mundra SEZ Textile And Apparel Park Private Limited	2016-17	INR	4.77	(18.40)	58.85	72.49	-	4.30	(3.92)	-	(3.92)	-	(3.92)	-	56.98%
11	Adani Kandla Bulk Terminal Private Limited	2016-17	INR	120.05	(251.43)	1,079.70	1,211.08	4.24	95.98	(70.54)	20.81	(91.35)	0.04	(91.31)	-	100%
12	Hazira Infrastructure Private Limited	2016-17	INR	24.20	(0.77)	23.47	0.04	-	-	(1.80)	0.20	(2.00)	-	(2.00)	-	100%
13	Mundra International Airport Private Limited	2016-17	INR	3.50	(2.20)	6.95	5.64	-*	0.40	(1.36)	-	(1.36)	-	(1.36)	-	100%
14	Adani Warehousing Services Private Limited	2016-17	INR	0.05	(0.07)	0.15	0.17	-	0.10	(0.05)	-	(0.05)	-	(0.05)	-	100%
15	Adani Ennore Container Terminal Private Limited	2016-17	INR	0.05	(0.18)	914.51	914.64	-	-	(0.14)	-	(0.14)	-	(0.14)	-	100%

Form No. AOC - 1

Salient features of the financial statement of Subsidiaries / Joint Ventures Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of The Companies (Accounts) Rules, 2014

(₹ in Crore)

Sr. No.	Name of the Subsidiary	Reporting Period	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Invest-ments (other than subsidiary)	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Other Compre-hensive Income	Total Other Compre-hensive Income	Proposed Dividend	% of Share-holding
16	Mundra LPG Infrastructure Private Limited	2016-17	INR	0.05	(0.06)	-	0.01	-	-	(0.01)	-	(0.01)	-	(0.01)	-	100%
17	Dhamra LNG Terminal Private Limited	2016-17	INR	0.05	(0.01)	146.89	146.84	-	-	(0.00)	-	(0.00)	-	(0.00)	-	100%
18	Mundra LPG Terminal Private Limited	2016-17	INR	0.05	(0.16)	15.05	15.15	-	-	(0.15)	-	(0.15)	-	(0.15)	-	100%
19	Adani Dhamra LPG Terminal Private Limited	2016-17	INR	0.05	(0.05)	1.05	1.06	-	-	(0.01)	-	(0.01)	-	(0.01)	-	100%
20	Adani Vizhinjam Port Private Limited	2016-17	INR	199.96	(5.35)	955.96	761.35	-	-	(1.94)	-	(1.94)	-	(1.94)	-	100%
21	Adani Kattupalli Port Private Limited	2016-17	INR	0.05	1,370.22	1,502.66	132.39	-	150.44	(16.11)	-	(16.11)	-	(16.11)	-	100%
22	Shanti Sagar International Dredging Pvt. Ltd.	2016-17	INR	0.05	(0.34)	0.03	0.32	-	-	(0.11)	-	(0.11)	-	(0.11)	-	100%
23	Dholera Infrastructure Private Limited	2016-17	INR	0.01	(4.14)	0.01	4.14	-	-	(0.39)	-	(0.39)	-	(0.39)	-	100%
24	Dholera Port and Special Economic Zone Limited	2016-17	INR	1.61	(5.19)	0.09	3.67	-	-	(0.30)	-	(0.30)	-	(0.30)	-	100%
25	Adani Petroleum Terminal Private Limited	April 26, 2016 to March 31, 2017	INR	0.20	(1.39)	89.93	89.74	-	1.05	(0.01)	-	(0.01)	-	(0.01)	-	100%
26	Abbot Point Operations Pty Ltd	2016-17	AUD	0.51	(4.28)	157.01	160.78	-*	169.14	(3.96)	-	(3.96)	-	(3.96)	-	100%
27	Abbot Point Bulk Operations Pty Ltd	October 04, 2016 to March 31, 2017	AUD	-*	2.42	88.54	86.11	-	165.53	9.01	1.64	7.37	-	7.37	-	100%
28	Adinath Polyfills Private Limited	2016-17	INR	0.12	(1.30)	2.83	4.02	-	0.14	(0.26)	(0.80)	0.54	-	0.54	-	100%
29	The Adani Harbour Service Private Limited	December 07, 2016 to March 31, 2017	INR	57.69	32.94	91.30	0.67	-	9.27	4.85	(0.03)	4.88	-	4.88	-	100%

* Figures being nullified on conversion to ₹ in crore.

Names of subsidiaries which are yet to commence operations-

Sr. No.	Name of the Subsidiary
1	Hazira Infrastructure Private Limited
2	Adani Ennore Container Terminal Private Limited
3	Mundra LPG Infrastructure Private Limited
4	Dhamra LNG Private Limited
5	Mundra LPG Terminal Private Limited
6	Adani Dhamra LPG Terminal Private Limited
7	Adani Vizhinjam Port Private Limited
8	Shanti Sagar International Dredging Private Limited
9	Dholera Infrastructure Private Limited
10	Dholera Port and Special Economic Zone Limited

PART "B" : Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Ventures

(₹ in Crore)

Sr. No.	Name of Joint Ventures	Latest audited Balance Sheet Date	Shares of Joint Ventures held by the company on the year end		Extend of holding %	Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit /(Loss) for the year	
			No. of Shares	Amount of Investment in Joint Ventures					Amount considered in Consolidation	Amount not considered in Consolidation
1	Adani International Container Terminal Private Limited	March 31, 2017	31,02,01,040	321.78	50%	Note-A	NA	274.16	-	26.87
2	Adani CMA Mundra Terminal Private Limited	March 31, 2017	3,03,95,000	30.40	50%	Note-A	NA	22.64	(9.41)	-

Note:

* Figures being nullified on conversion to ₹ in crore.

A. There is significant influence/joint control due to percentage (%) of Share holding.

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman and Managing Director
DIN : 00006273

Rajesh S. Adani
Director
DIN : 00006322

Dr. Malay Mahadeviya
Wholetime Director
DIN : 00064110

B Ravi
Chief Financial Officer

Dipti Shah
Company Secretary

Place : Ahmedabad
Date : May 24, 2017

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of Adani Ports and Special Economic Zone Limited will be held on Wednesday, August 9, 2017 at 9:30 a.m. at J.B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015 to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended on March 31, 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To declare divided on Equity Shares.
3. To declare dividend on Preference Shares.
4. To appoint a Director in place of Mr. Rajesh S. Adani (DIN: 00006322), who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, as amended from time to time, M/s. Deloitte Haskins & Sells LLP, (Firm Registration No. 117366W/W-100018), Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company in place of retiring Auditors M/s. S R B C & CO LLP, Chartered Accountants, for a period of five consecutive years to hold office from the conclusion of 18th Annual General Meeting (AGM) until conclusion of the 23rd AGM to be held in the calendar year 2022 (subject to ratification of their appointment at every AGM) at such remuneration (including fees for certification) and reimbursement of out of pocket expenses for the purpose of audit as may be approved by the Board of Directors of the Company on the recommendation of the Audit Committee."

Special Business:

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the requisite approvals, if any required, approval of the Company be and is hereby accorded to the re-appointment of Mr. Gautam S. Adani (DIN: 00006273) as a Managing Director of the Company, for a period of five years w.e.f July 1, 2017 on the terms and conditions including terms of remuneration as set out in the explanatory statement attached hereto and forming part of this notice with a liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration so as the total remuneration payable to him shall not exceed the limits specified in Schedule V of the Companies Act, 2013 including any statutory modification or re-enactment thereof, for the time being in force and as agreed by and between the Board and Mr. Gautam S. Adani."

   "RESOLVED FURTHER THAT notwithstanding anything contained to the contrary in the Companies Act, 2013, wherein any financial year the Company has no profits or inadequate profit, Mr. Gautam S. Adani will be paid minimum remuneration within the ceiling limit prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof."

   "RESOLVED FURTHER THAT in the event of any statutory amendment or modification by the Central Government to Schedule V of the Companies Act, 2013, the Board be and is hereby authorized to vary and alter the terms of appointment including salary, perks and other benefits payable to Mr. Gautam S. Adani within such prescribed limit or ceiling as agreed by and between the Board and Mr. Gautam S. Adani without any further reference to the Company in General Meeting."

   "RESOLVED FURTHER THAT the Board of Directors or its Committee thereof be and is hereby authorised to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT Mr. Karan Adani (DIN: 03088095), who was appointed by the Board of Directors as an Additional Director of the Company w.e.f May 24, 2017 pursuant to the provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the requisite approvals, if any required, approval of the Company be and is hereby accorded to the appointment of Mr. Karan Adani, CEO (DIN: 03088095) as CEO & Whole Time Director of the Company, for a period of five years w.e.f. May 24, 2017 on the terms and conditions including terms of remuneration as set out in the explanatory statement attached hereto and forming part of this notice with a liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration so as the total remuneration payable to him shall not exceed the limits specified in Schedule V of the Companies Act, 2013 including any statutory modification or re-enactment thereof, for the time being in force and as agreed by and between the Board and Mr. Karan Adani."

"RESOLVED FURTHER THAT notwithstanding anything contained to the contrary in the Companies Act, 2013, wherein any financial year the Company has no profits or inadequate profit, Mr. Karan Adani will be paid minimum remuneration within the ceiling limit prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof."

"RESOLVED FURTHER THAT in the event of any statutory amendment or modification by the Central Government to Schedule V of the Companies Act, 2013, the Board be and is hereby authorized to vary and alter the terms of appointment including salary, perks and other benefits payable to Mr. Karan Adani within such prescribed limit or ceiling as agreed by and between the Board and Mr. Karan Adani without any further reference to the Company in General Meeting."

"RESOLVED FURTHER THAT the Board of Directors or its Committee thereof be and is hereby authorised to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Foreign Exchange Management Act, 1999, as amended or restated ("FEMA"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated (the "ICDR Regulations"), the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended or restated, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000, as amended or restated, and subject to all other applicable laws, statutes, rules, circulars, notifications, regulations and guidelines of the Government of India, the Securities and Exchange Board of India (the "SEBI"), the Reserve Bank of India (the "RBI"), the Foreign Investment Promotion Board (the "FIPB"), the relevant stock exchanges where the equity shares of the Company are listed (the "Stock Exchanges") and all other appropriate statutory and regulatory authorities, as may be applicable or relevant, whether in India or overseas (hereinafter collectively referred to as the "Appropriate Authorities"), the enabling provisions of the Memorandum and Articles of Association of the Company, as amended, and the listing agreements entered into by the Company with the Stock Exchanges and subject to requisite approvals, consents, permissions and sanctions, if any, of the Appropriate Authorities and subject to such conditions and modifications as may be prescribed by any of them in granting any such approvals, consents, permissions, and sanctions (hereinafter referred as the "Requisite Approvals") which may be agreed to by the Board of Directors of the Company (hereinafter referred as the "Board" which term shall be deemed to include any committee constituted or to be constituted by the Board to exercise its powers including the powers conferred by this resolution, or any person(s) authorised by the Board or its committee for such purposes), consent of the Company be and is hereby accorded to the Board in its absolute discretion, to create, offer, issue and allot, from time to time in either one or more international offerings, in one or more foreign markets, in one or more tranches and/or in the course of one or more domestic offering(s) in India, such number of equity shares and/or any securities linked to, convertible into or exchangeable for equity shares including without limitation through Global Depository Receipts ("GDRs") and/or American Depository Receipts ("ADRs") and/or convertible preference shares and/or convertible debentures (compulsorily and/ or optionally, fully and/or partly) and/or commercial papers and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with equity shares of the Company at a later date simultaneously with the issue of non-convertible debentures and/or Foreign Currency Convertible Bonds ("FCCBs") and/ or Foreign Currency Exchangeable Bonds ("FCEBs") and/ or any other permitted fully and/or partly paid securities/ instruments/ warrants, convertible into or exchangeable for equity shares at the option of the Company and/or holder(s) of the security(ies) and/or securities linked to equity shares (hereinafter collectively referred to as "Securities"), in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India or abroad whether rupee denominated or denominated in foreign currency, to such investors who are eligible to acquire such Securities in accordance with all applicable laws, rules, regulations, guidelines and approvals, through public issue(s), rights issue(s), preferential issue(s), private placement(s) and/ or qualified institutional placement in terms of Chapter VIII of the SEBI (ICDR) Regulations or any combinations thereof, through any prospectus, offer document, offer letter, offer circular, placement document or otherwise, at such time or times and at such price or prices subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, at a discount or premium to market price or prices in such manner and on such terms and conditions including as regards security, rate of interest, etc., as may be deemed appropriate by the Board in its absolute discretion, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, for an aggregate amount, not exceeding ₹5,000 crores (Rupees Five Thousand Crores

Only) or foreign currency equivalent thereof, at such premium as may from time to time be decided by the Board and the Board shall have the discretion to determine the categories of eligible investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors at the time of such offer, issue and allotment considering the prevailing market conditions and all other relevant factors and where necessary in consultation with advisor(s), lead manager(s), and underwriter(s) appointed by the Company."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue(s) of Securities may, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, have all or any terms, or combination of terms, in accordance with domestic and/or international practice, including, but not limited to, conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever and all other such terms as are provided in offerings of such nature including terms for issue of additional equity shares or variation of the conversion price of the Securities during the duration of the Securities."

"RESOLVED FURTHER THAT in case of any offering of Securities, including without limitation any GDRs/ADRs/FCCBs/FCEBs/other securities convertible into equity shares, consent of the shareholders be and is hereby given to the Board to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Securities referred to above in accordance with the terms of issue/offering in respect of such Securities and such equity shares shall rank pari passu with the existing equity shares of the Company in all respects, except as may be provided otherwise under the terms of issue/offering and in the offer document and/or offer letter and/or offering circular and /or listing particulars."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to engage, appoint and to enter into and execute all such agreement(s)/ arrangement(s)/ MoU(s)/ placement agreement(s)/ underwriting agreement(s)/ deposit agreement(s)/ trust deed(s)/ subscription agreement/ payment and conversion agency agreement/ any other agreements or documents with any consultants, lead manager(s), co-lead manager(s), manager(s), advisor(s), underwriter(s), guarantor(s), depository(ies), custodian(s), registrar(s), agent(s) for service of process, authorised representatives, legal advisors / counsels, trustee(s), banker(s), merchant banker(s) and all such advisor(s), professional(s), intermediaries and agencies as may be required or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees and such other expenses as it deems fit, listing of Securities in one or more Indian/ International Stock Exchanges, authorizing any director(s) or any officer(s) of the Company, severally, to sign for and on behalf of the Company offer document(s), arrangement(s), application(s), authority letter(s), or any other related paper(s)/document(s), give any undertaking(s), affidavit(s), certification(s), declaration(s) including without limitation the authority to amend or modify such document(s)."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, consent of the members of the Company be and is hereby accorded to the Board to do all such acts, deeds, matters and/or things, in its absolute discretion and including, but not limited to finalization and approval of the preliminary as well as final document(s), determining the form, terms, manner of issue, the number of the Securities to be allotted, timing of the issue(s)/ offering(s) including the investors to whom the Securities are to be allotted, issue price, face value, number of equity shares or other securities upon conversion or redemption or cancellation of the Securities, premium or discount on issue /conversion/exchange of Securities, if any, rate of interest, period of conversion or redemption, listing on one or more stock exchanges in India and / or abroad and any other terms and conditions of the issue, including any amendments or modifications to the terms of the Securities and any agreement or document (including without limitation, any amendment or modification, after the issuance of the Securities), the execution of various transaction documents, creation of mortgage/charge in accordance with the provisions of the Act and any other applicable laws or regulations in respect of any Securities, either on a pari passu basis or otherwise, fixing of record date or book closure and related or incidental matters as the Board in its absolute discretion deems fit and to settle all questions, difficulties or doubts that may arise in relation to the issue, offer or allotment of the Securities, accept any modifications in the proposal as may be required by the Appropriate Authorities in such issues in India and/or abroad and subject to applicable law, for the utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent and that the members shall be deemed to have given their approval thereto for all such acts, deeds, matters and/or things, expressly by the authority of this resolution."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board is authorised on behalf of the Company to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Securities and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Company and/or any agency or body authorised by the Company may, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, issue certificates and/or depository receipts including global certificates representing the Securities with such features and attributes as are prevalent in international and/or domestic capital markets for instruments of such nature and to provide for the tradability or transferability thereof as per the international and/or domestic practices and regulations, and under the forms and practices prevalent in such international and/or domestic capital markets."

"RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body for the issue, upon conversion of the Securities, of equity shares of the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and/or domestic practices and regulations and under the forms and practices prevalent in international and/or domestic capital markets."

"RESOLVED FURTHER THAT the Securities may be redeemed and/or converted into and/or exchanged for the equity shares of the Company (or exchanged for equity shares of another company as permitted under applicable law), subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, in a manner as may be provided in the terms of their issue."

"RESOLVED FURTHER THAT in case of a Qualified Institutional Placement (QIP) pursuant to Chapter VIII of the SEBI (ICDR) Regulations, the allotment of eligible securities within the meaning of Chapter VIII of the SEBI (ICDR) Regulations shall only be made to Qualified Institutional Buyers (QIBs) within the meaning of Chapter VIII of the SEBI (ICDR) Regulations, such securities shall be fully paidup and the allotment of such securities shall be completed within 12 months from the date of the resolution approving the proposed issue by the members of the Company or such other time as may be allowed by SEBI (ICDR) Regulations from time to time and that the securities be applied to the National Securities Depository Limited and/or Central Depository Services (India) Limited for admission of the eligible securities to be allotted as per Chapter VIII of the SEBI (ICDR) Regulations."

"RESOLVED FURTHER THAT the relevant date for the purpose of pricing of the Securities by way of QIP/GDRs/ADRs/FCCBs/FCEBs or by way of any other issue(s) shall be the date as specified under the applicable law or regulation or it shall be the date of the meeting in which the Board decides to open the issue."

"RESOLVED FURTHER THAT the Board and other designated officers of the Company be and are hereby severally authorised to make all filings including as regards the requisite listing application/ prospectus/ offer document/ registration statement, or any draft(s) thereof, or any amendments or supplements thereof, and of any other relevant documents with the Stock Exchanges (in India or abroad), the RBI, the FIPB, the SEBI, the Registrar of Companies and such other authorities or institutions in India and/or abroad for this purpose and to do all such acts, deeds and things as may be necessary or incidental to give effect to the resolutions above and the Common Seal of the Company be affixed wherever necessary."

"RESOLVED FURTHER THAT such of these Securities as are not subscribed may be disposed off by the Board in its absolute discretion in such manner, as the Board may deem fit and as permissible by law."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers conferred by this resolution on it, to any Committee of directors or the Managing Director or Directors or any other officer of the Company, in order to give effect to the above resolutions."

"RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time and other applicable SEBI regulations and guidelines, the provisions of the Memorandum and Articles of Association of the Company and subject to such other applicable laws, rules and regulations and guidelines, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) for making offer(s) or invitation(s) to subscribe redeemable secured/unsecured Non-Convertible Debentures (NCDs) but not limited to subordinated debentures, bonds, and/or other debt securities, etc., on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Special Resolution by the members, within the overall borrowing limits of the Company, as may be approved by the members from time to time."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to determine the terms of issue including the class of investors to whom NCDs are to be issued, time, securities to be offered, the number of NCDs, tranches, issue price, tenor, interest rate, premium/ discount, listing and to do all such acts and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds/ documents/ undertakings/ agreements/ papers/ writings as may be required in this regard."

By order of the Board of Directors

Place: Ahmedabad
Date: May 24, 2017

Dipti Shah
Company Secretary

Registered Office:
"Adani House",
Nr. Mithakhali Six Roads,
Navrangpura, Ahmedabad - 380009
Gujarat, India
CIN: L63090GJ1998PLC034182

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER.

   A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

3. Information regarding appointment/re-appointment of Directors and Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special businesses to be transacted are annexed hereto.

4. The Register of members and share transfer books of the Company will remain closed from Wednesday, August 2, 2017 to Wednesday, August 9, 2017 (both days inclusive) for the purpose of Annual General Meeting (AGM).

5. Shareholders seeking any information with regard to accounts are requested to write to the Company atleast 10 days before the meeting so as to enable the management to keep the information ready.

6. All documents referred to in the accompanying notice and explanatory statement will be kept open for inspection at the Registered Office of Company on all working days between 11.00 a.m. to 1.00 p.m. prior to date of AGM.

7. Members are requested to bring their copy of Annual Report at the meeting.

8. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.

9. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders holding shares in the physical form. The shareholders, who are desirous of availing this facility, may kindly write to Company's R & T Agent for nomination form by quoting their folio number.

10. The balance lying in the unpaid dividend account of the Company in respect of final dividend declared for the financial year 2009-10 will be transferred to the Investor Education and Protection Fund of the Central Government by October, 2017. Members who have not encashed their dividend warrants pertaining to the said year may approach the Company or to the R & T Agent for obtaining payments thereof by September, 2017.

11. The route map showing directions to reach the venue of the 18th AGM is annexed.

12. Process and manner for members opting for voting through Electronic means:

    i. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of voting through electronic means is provided through the e-voting platform of Central Depository Services (India) Limited ("remote e-voting").

    ii. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. August 2, 2017, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.

    iii. A person who has acquired the shares and has become a member of the Company after the despatch of the Notice of the AGM and prior to the Cut-off date i.e. August 2, 2017, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through the Poll Paper at the AGM by following the procedure mentioned in this part.

    iv. The remote e-voting will commence on Saturday, August 5, 2017 at 9:00 a.m. and will end on Tuesday, August 8, 2017 at 5:00 p.m. During this period, the members of the Company holding shares either in physical form or in demat form as on the Cut-off date i.e. August 2, 2017, may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter.

v. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.

vi. The facility for voting through Poll Paper would be made available at the AGM and the members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting through Poll Paper. The members who have already cast their vote by remote e-voting prior to the meeting, may also attend the meeting, but shall not be entitled to cast their vote again.

vii. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. August 2, 2017.

viii. The Company has appointed CS Chirag Shah, Practising Company Secretary (Membership No. FCS: 5545; CP No: 3498), to act as the Scrutinizer for conducting the remote e-voting process in a fair and transparent manner.

ix. The procedure and instructions for remote e-voting are, as follows:

Step 1 : Open your web browser during the voting period and log on to the e-voting website: www.evotingindia.com.

Step 2 : Now click on "Shareholders" to cast your votes.

Step 3 : Now, fill up the following details in the appropriate boxes:

User-ID	a) For CDSL: 16 digits beneficiary ID b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID c. Members holding shares in physical form should enter the Folio Number registered with the Company.

Step 4 : Next, enter the Image Verification as displayed and Click on Login.
If you are holding shares in demat form and had logged on to then your existing password is to be used.

Step 5 : If you are a first time user follow the steps given below:

For members holding shares in demat form and physical form:	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in Step 3.

Step 6 : After entering these details appropriately, click on "SUBMIT" tab.

Step 7 : Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system..

Step 8 : For members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

Step 9 : Click on EVSN of the Company.

Step 10 : On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

Step 11 : Click on the resolution file link if you wish to view the entire Notice.

Step 12 : After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

Step 13 : You can also take print out of the voting done by you by clicking on "Click here to print" option on the Voting page.

Step 14 : Instructions for Non – Individual Members and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

x. Shareholders can also use Mobile app - "m-Voting" for e-voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e-voting credentials to vote for the company resolution(s).

xi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.adaniports.com and on the website of CDSL i.e www.cdslindia.com within three days of the passing of the Resolutions at the 18th Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

xii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Contact Details:

Company	:	Adani Ports and Special Economic Zone Limited Regd. Office: "Adani House ", Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009, Gujarat, India CIN: L63090GJ1998PLC034182 E-mail ID: investor.apsezl@adani.com
Registrar and Transfer Agent	:	Link Intime India Private Limited C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai-400083, Maharashtra, India Phone: +91-22-49186270 | Fax: +91-22-49186060
e-Voting Agency	:	Central Depository Services (India) Limited E-mail ID: helpdesk.evoting@cdslindia.com Phone : +91-22-22723333/8588
Scrutinizer	:	CS Chirag Shah Practising Company Secretary E-mail ID: pcschirag@gmail.com

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

For Item No. 6

The members at the 13th Annual General Meeting of the Company held on August 9, 2012, re-appointed Mr. Gautam S. Adani as Managing Director for a period of five years w.e.f July 1, 2012. The present term of his appointment as Managing Director expires on June 30, 2017. The Board of Directors on the recommendation of Nomination and Remuneration Committee at its meeting held on May 24, 2017 had re-appointed Mr. Gautam S. Adani as a Managing Director for a further period of five years w.e.f July 1, 2017 on the terms and conditions mentioned in the draft agreement to be entered into between the Company and Mr. Gautam S. Adani.

Mr. Gautam S. Adani is the Chairman & Managing Director of the Company and Founder of the Adani Group. Under his leadership, Adani Group has emerged as a global integrated infrastructure player with interest across Resources, Logistics and Energy verticals. His journey has been marked by his ambitious and entrepreneurial vision, coupled with great vigour and hard work. This has not only enabled the Group to achieve numerous milestones with speed and scale but also resulted in the creation of a robust business model which is contributing towards building sound infrastructure in India.

The brief particulars of reappointment and remuneration payable to Mr. Gautam S. Adani are as follows:

- **Tenure of appointment:** Five years w.e.f July 1, 2017.
- **Salary:** ₹15.00 lakhs per month
- **Commission:** Upto 2% of the Company's Net Profit for each financial year as calculated in accordance with Section 198 of the Companies Act, 2013.

In addition to salary and commission, he may be provided any benefit, allowances or perquisites as may be determined by the Board of Directors or Nomination and Remuneration Committee within the overall ceiling limit of Schedule V of the Companies Act, 2013.

The total remuneration which can be paid to Mr. Gautam S. Adani shall not exceed the maximum limit admissible under provisions of Schedule V of the Companies Act, 2013.

In the event of absence or inadequacy of profits of the Company in any financial year, Mr. Gautam S. Adani will be entitled to receive the same remuneration, perquisites and benefits as aforesaid, subject to the compliance with the applicable provisions of Schedule V of the Companies Act, 2013.

The Board of Directors or Nomination and Remuneration Committee is authorized to fix, alter and/or vary from time to time the quantum / periodicity / composition of the remuneration payable to the Managing Director, including the modes of payment, in such manner and to such extent not exceeding the limits specified in the Companies Act, 2013 and Schedule V thereto or such other provisions as may be applicable in this regard, as in force from time to time.

The draft agreement to be executed between Mr. Gautam S. Adani and the Company is available for inspection by any member at the Registered Office of the Company during the working hours upto the date of the Annual General Meeting.

The Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof.

The Board of Directors recommends the said resolution for your approval

Except Mr. Gautam S. Adani, Mr. Rajesh S. Adani, Mr. Karan Adani and their relatives, none of the other Directors or Key Managerial Personnel or their relatives is, in anyway, concerned or interested in the said resolution.

This along with the relevant resolution, may be treated as an Abstract pursant to Section 190 of the Companies Act, 2013.

For Item No. 7 & 8

Mr. Karan Adani was appointed as Chief Executive Officer of the Company w.e.f January 1, 2016. The members at the 17th Annual General Meeting of the Company held on August 9, 2016, had approved payment of remuneration to Mr. Karan Adani, CEO upto ₹1.50 crores per annum including salary, perks and other benefits w.e.f September 1, 2016.

Mr. Karan Adani is Chief Executive Officer of the Company. He holds a degree in economics from Purdue University. Having accumulated experience throughout various divisions of our Company's operations since 2009, he is responsible for the strategic development of the Adani Group and overlooks its day to day operations. He aims to build the Adani Group's identity around an integrated business model, backed by his understanding of new processes, systems and macro-economic issues, coupled with his growing experience.

The Board of Directors on the recommendation of Nomination and Remuneration Committee at its meeting held on May 24, 2017, appointed Mr. Karan Adani, CEO as an Additional Director and Whole Time Director of the Company for a period of five years w.e.f May 24, 2017 at a remuneration of ₹1.50 crores per annum including salary, perks and other benefits with a liberty to the Board of Directors or Nomination and Remuneration Committee to revise the remuneration without approval of Shareholders within the prescribed ceiling limit of Schedule V and other applicable provisions of the Companies Act, 2013.

In the event of absence or inadequacy of profits of the Company in any financial year, Mr. Karan Adani will be entitled to receive the remuneration, perquisites and benefits as aforesaid, subject to the compliance with the applicable provisions of Schedule V of the Companies Act, 2013.

Mr. Karan Adani shall be liable to retire by rotation and shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof.

The Board of Directors recommends the said resolution for your approval.

Except Mr. Gautam S. Adani, Mr. Rajesh S. Adani, Mr. Karan Adani and their relatives, none of the other Directors or Key Managerial Personnel or their relatives is, in anyway, concerned or interested in the said resolution.

This along with the relevant resolution, may be treated as an Abstract pursant to Section 190 of the Companies Act, 2013.

For Item No. 9

The Company proposes to have flexibility to infuse additional capital, to tap capital markets and to raise additional long term resources, if necessary in order to sustain rapid growth in the business, for business expansion and to improve the financial leveraging strength of the Company. The proposed resolution seeks the enabling authorization of the members to the Board of Directors to raise funds to the extent of ₹5,000 crores (Rupees Five Thousand Crores Only) or its equivalent in any one or more currencies, in one or more tranches, in such form, on such terms, in such manner, at such price and at such time as may be considered appropriate by the Board (inclusive at such premium as may be determined) by way of issuance of equity shares of the Company ("Equity Shares") and/or any instruments or securities including Global Depository Receipts ("GDRs") and/or American Depository Receipts ("ADRs") and/or convertible preference shares and/ or convertible debentures (compulsorily and/ or optionally, fully and/or partly) and/or non-convertible debentures (or other securities) with warrants, and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with equity shares of the Company at a later date simultaneously with the issue of Foreign Currency Convertible Bonds ("FCCBs") and/ or Foreign Currency Exchangeable Bonds ("FCEBs") and/ or any other permitted fully and/or partly paid securities/ instruments/warrants, convertible into or exchangeable for equity shares at the option of the Company and/or holder(s) of the security(ies) and/or securities linked to equity shares (hereinafter collectively referred to as "Securities"), in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India or abroad whether rupee denominated or denominated in foreign currency by way of private placement or otherwise.

The Special Resolution also seeks to empower the Board of Directors to undertake a Qualified Institutional Placement (QIP) with Qualified Institutional Buyers (QIBs) as defined by SEBI under Issue of Capital and Disclosure Requirements Regulations, 2009. The Board of Directors may in their discretion adopt this mechanism as prescribed under

Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Further in case the Company decides to issue eligible securities within the meaning of Chapter VIII of the SEBI Regulations to Qualified Institutional Investors, it will be subject to the provisions of Chapter VIII of the SEBI Regulations as amended from time to time. The aforesaid securities can be issued at a price after taking into consideration the pricing formula prescribed in Chapter VIII of the SEBI (ICDR) Regulations. Allotment of securities issued pursuant to Chapter VIII of SEBI Regulations shall be completed within twelve months from the date of passing of the resolution under Section 42 and 62 of the Companies Act, 2013 ("Act"). This Special Resolution gives (a) adequate flexibility and discretion to the Board to finalise the terms of the issue, in consultation with the Lead Managers, Underwriters, Legal Advisors and experts or such other authority or authorities as need to be consulted including in relation to the pricing of the Issue which will be a free market pricing and may be at premium or discount to the market price in accordance with the normal practice and (b) powers to issue and market any securities issued including the power to issue such Securities in such tranche or tranches with/without voting rights or with differential voting rights.

The detailed terms and conditions for the issue of Securities will be determined in consultation with the advisors and such Authority/Authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The consent of the members is being sought pursuant to the provisions of Section 42, 62 and other applicable provisions of the Act and in terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Since the resolution involves issue of Equity Shares to persons other than existing members, special resolution in terms of Section 42 and 62 of the Act is proposed for your approval. The amount proposed to be raised by the Company shall not exceed ₹5,000 crores (Rupees Five Thousand Crores Only).

The Equity shares, which would be allotted, shall rank in all respects pari passu with the existing Equity Shares of the Company, except as may be provided otherwise under the terms of issue/offering and in the offer document and/or offer letter and/or offering circular and/or listing particulars.

The Board of Directors recommends the said resolution for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

For Item No. 10

As per the provisions of Section 42 of the Companies Act, 2013 ("Act") read with rules made thereunder, a Company offering or making an invitation to subscribe to redeemable secured/ unsecured Non-Convertible Debentures (NCDs) on a private placement basis is required to obtain the prior approval of the members by way of a Special Resolution. Such approval by a Special Resolution can be obtained once a year for all the offers and an invitation for such debt securities to be made during the year.

It is proposed to offer or invite subscriptions for redeemable secured/ unsecured non-convertible debentures including subordinated debentures, bonds, and/ or other debt securities, etc., on private placement basis, in one or more tranches, during the period of one year from the date of passing of the Special Resolution by the members, within the overall borrowing limits of the Company, as may be approved by the members from time to time, with authority to the Board to determine the terms and conditions, including the issue price of the debt securities, interest, repayment, security or otherwise, as it may deem expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of the Resolution. Accordingly, the approval of the members is being sought by way of a Special Resolution under Section 42 and other applicable provisions, if any of the Act read with rules made thereunder.

The Board of Directors recommends the said resolution for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

By order of the Board of Directors

Place: Ahmedabad
Date: May 24, 2017

Dipti Shah
Company Secretary

Registered Office:
"Adani House",
Nr. Mithakhali Six Roads,
Navrangpura,
Ahmedabad - 380009,
Gujarat, India
CIN: L63090GJ1998PLC034182

ANNEXURE TO NOTICE

Details of Directors seeking appointment /re-appointment

Name of Director	Date of Birth (No. of Shares held)	Qualification	Nature of Expertise	Name of the public companies in which he holds directorship (as on March 31, 2017)	Name of Committees of public Companies of which he holds Membership/ Chairmanship (as on March 31, 2017)
Mr. Rajesh S. Adani	07.12.1964 (Nil)#	B.Com	Mr. Rajesh S. Adani is a non-executive non independent Director of the Company. He has been associated with Adani Group since its inception. He is in charge of the operations of the Group and has been responsible for developing its business relationships. His proactive, personalized approach to the business and competitive spirit has helped towards the growth of the Group and its various businesses.	• Adani Enterprises Limited • Adani Ports and Special Economic Zone Limited • Adani Power Limited • Adani Transmission Limited • Adani Green Energy Limited • Adani Wilmar Limited • Adani Gas Limited • Adani Welspun Exploration Limited	• Adani Ports and Special Economic Zone Limited - Audit Committee (Member) - Nomination and Remuneration Committee (Member) - Stakeholders Relationship Committee (Chairman) - Sustainability and Corporate Social Responsibility Committee (Chairman) - Risk Management Committee (Chairman) • Adani Enterprises Limited - Corporate Social Responsibility Committee (Chairman) - Risk Management Committee (Chairman) • Adani Power Limited - Audit Committee (Member) - Stakeholders Relationship Committee (Member) - Sustainability and Corporate Social Responsibility Committee (Chairman) - Risk Management Committee (Chairman) • Adani Transmission Limited - Audit Committee (Member) - Stakeholders Relationship Committee (Member) - Corporate Social Responsibility and Sustainability Committee (Chairman) - Risk Management Committee (Member) • Adani Wilmar Limited - Audit Committee (Chairman) • Adani Gas Limited - Audit Committee (Member) • Adani Welspun Exploration Limited - Audit Committee (Chairman)

Name of Director	Date of Birth (No. of Shares held)	Qualification	Nature of Expertise	Name of the public companies in which he holds directorship (as on March 31, 2017)	Name of Committees of public Companies of which he holds Membership/ Chairmanship (as on March 31, 2017)
Mr. Gautam S. Adani	24.06.1962 (Nil)#	S.Y.B.Com.	Mr. Gautam S. Adani is the Chairman & Managing Director of the Company and Founder of the Adani Group. Under his leadership, Adani Group has emerged as a global integrated infrastructure player with interest across Resources, Logistics and Energy verticals. His journey has been marked by his ambitious and entrepreneurial vision, coupled with great vigour and hard work. This has not only enabled the Group to achieve numerous milestones with speed and scale but also resulted in the creation of a robust business model which is contributing towards building sound infrastructure in India.	• Adani Enterprises Limited • Adani Ports and Special Economic Zone Limited • Adani Power Limited • Adani Transmission Limited • Adani Green Energy Limited	• Adani Power Limited - Nomination and Remuneration Committee (Member)
Mr. Karan Adani*	07.04.1987 (Nil)#	Degree in Economics from Purdue University, USA.	Mr. Karan Adani is Chief Executive Officer of the Company. Having accumulated experience throughout various divisions of our Company's operations since 2009, he is responsible for the strategic development of the Adani Group and overlooks its day to day operations. He aims to build the Adani Group's identity around an integrated business model, backed by his understanding of new processes, systems and macro-economic issues, coupled with his growing experience.	• The Dhamra Port Company Limited • Adani Petronet (Dahej) Port Private Limited • Adani Hazira Port Private Limited • Adani Ennore Container Terminal Private Limited • Adani Kandla Bulk Terminal Private Limited • Adani Kattupalli Port Private Limited • Adani Vizhinjam Port Private Limited • Adani Petroleum Terminal Private Limited • Mundra International Gateway Terminal Private Limited	• Adani Hazira Port Private Limited - Audit Committee (Chairman)

#In individual capacity

*Details of directorship and membership/chairmanship of committees in public companies are as of May 24, 2017.

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors, please refer to the Corporate Governance Report.

Adani Ports and Special Economic Zone Ltd
Regd. Office: "Adani House" Nr. Mithakhali Six Roads,
Navrangpura, Ahmedabad-380 009, Gujarat, India
CIN: L63090GJ1998PLC034182

Form No. MGT-11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	:	L63090GJ1998PLC034182
Name of the company	:	Adani Ports and Special Economic Zone Limited
Registered office	:	"Adani House" Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat, India

Name of the member(s)	:	
Registered Address	:	
Email ID	:	
Folio No/Client ID	:	
DP ID	:	

I/We, being the member (s) holding .... shares of the above named company hereby appoint.

1. Name :____
   Address :____
   E-mail ID :____
   Signature:________________________________, or failing him
2. Name :____
   Address :____
   E-mail ID :____
   Signature:________________________________, or failing him
3. Name :____
   Address :____
   E-mail ID :____
   Signature:________________________________,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 18th Annual General Meeting of the Company, to be held on Wednesday, the 9th day of August, 2017 at 9:30 a.m. at J.B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. Adoption of audited financial statements (including consolidated financial statements) for the financial year ended March 31, 2017 (Ordinary Resolution)
2. Declaration of Dividend on Equity Shares (Ordinary Resolution)

3. Declaration of Dividend on Preferences Shares (Ordinary Resolution)

4. Re-appointment of Mr. Rajesh S. Adani (DIN: 00006322), as a Director of the Company who retires by rotation (Ordinary Resolution)

5. Appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), as Statutory Auditors of the Company in place retiring auditors M/s. S R B C & CO LLP, Chartered Accountants (Ordinary Resolution)

Special Business:

6. Re-appointment of Mr. Gautam S. Adani as Managing Director of the Company (Ordinary Resolution)

7. Appointment of Mr. Karan Adani as a Director liable to retire by rotation (Ordinary Resolution)

8. Appointment of Mr. Karan Adani as CEO & Whole Time Director of the Company (Ordinary Resolution)

9. Approval of offer or invitation to subscribe to Securities for an amount not exceeding ₹5,000 crores (Special Resolution)

10. Approval of offer or invitation to subscribe to Non-Convertible Debentures on private placement basis (Special Resolution)

Signed this .... day of .... 2017.

Affix ₹ 1 Revenue Stamp

Signature of Shareholder: ______________

Signature of Proxy holder(s): _______________

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

adani

Adani Ports and Special Economic Zone Ltd
Regd. Office: "Adani House" Nr. Mithakhali Six Roads,
Navrangpura, Ahmedabad-380 009, Gujarat, India
CIN: L63090GJ1998PLC034182

Attendance Slip

Full name of the member attending____

Full name of the joint-holder____
(To be filled in if first named Joint – holder does not attend meeting)

Name of Proxy____
(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 18th Annual General Meeting held at J.B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380015 on Wednesday, 9th August, 2017 at 9:30 a.m

Folio No ______________________ DP ID No. * ______________________ Client ID No.* ______________________

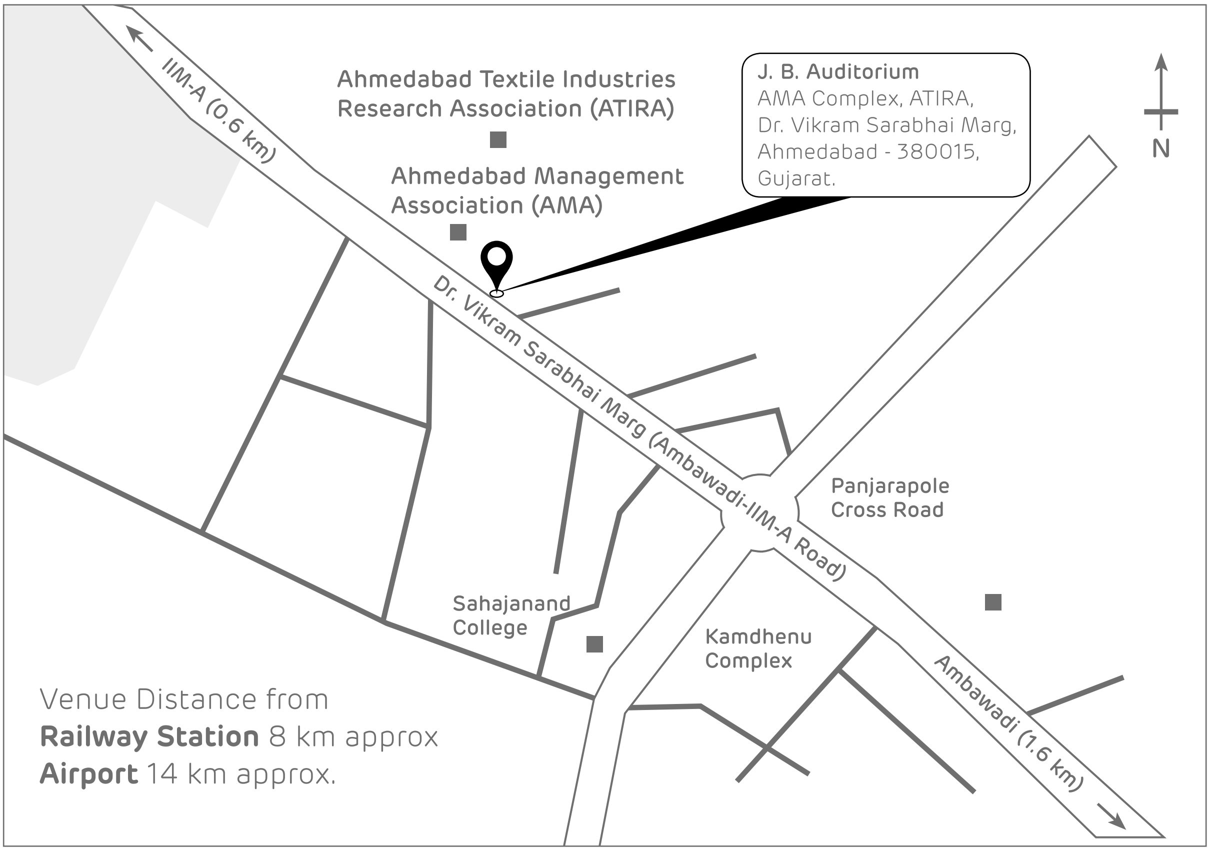
*Applicable for members holding shares in electronic form.

No. of Share(s) held ______________________

____
Member's / Proxy's Signature

Route map to the venue of the AGM

Venue : J.B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA,
Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015.
Landmark : Opposite Indian Institute of Management, Ahmedabad.



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Adani Ports and Special Economic Zone Limited
Regd. office: Adani House
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Ahmedabad 380 009, Gujarat, India
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Follow us on: /Adani Online