STRICTLY CONFIDENTIAL — DO NOT FORWARD

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (I) QIBs (AS DEFINED BELOW) IN RELIANCE ON RULE 144A ("**RULE 144A**") UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**") OR (II) OUTSIDE THE UNITED STATES PURCHASING IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**").

IMPORTANT: You must read the following before continuing. The following disclaimer applies to the Offering Circular following this page, and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

Confirmation of Your Representation: You have accessed the attached offering circular on the basis that you have confirmed your representation to Barclays Bank PLC, Citigroup Global Markets Limited and Standard Chartered Bank (together, the "**Joint Global Coordinators and Joint Bookrunners**") and MUFG Securities EMEA plc and SBICAP (Singapore) Limited (together with the Joint Global Coordinators and Joint Bookrunners, the "**Joint Bookrunners**") that (i)(A) you are outside the United States and to the extent you purchase the securities described in the attached Offering Circular, you will be doing so pursuant to Regulation S OR (B) you are acting on behalf of, or you are, a qualified institutional buyer ("**QIB**"), as defined in Rule 144A, AND (ii) you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission.

Restrictions: The attached Offering Circular is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein. If you have gained access to this transmission contrary to any of the restrictions herein, you are not authorised and will not be able to purchase any of the securities described in the Offering Circular.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR SOLICITATION IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED, SOLD, RESOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the issuer of the securities or the Joint Bookrunners to subscribe for or purchase any of the securities described therein and access has been limited so that it shall not constitute a "general advertisement" or "solicitation" (as those terms are used in Regulation D under the Securities Act) or "directed selling efforts" (within the meaning of Regulation S) in the United States. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Bookrunners or any affiliate of the Joint Bookrunners is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Bookrunners or their affiliates on behalf of the issuer in such jurisdiction.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular to any other person.

Actions That You May Not Take: You should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS OFFERING CIRCULAR AND THE ATTACHED OFFERING CIRCULAR, IN WHOLE OR IN PART, IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other items of a destructive nature. Your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the issuer of the securities, the Joint Bookrunners or any person who controls any of them or any of their respective affiliates and their respective directors, officers, employees, representatives and agents accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Bookrunners.

STRICTLY CONFIDENTIAL

Adani Ports and Special Economic Zone Limited

(incorporated in the Republic of India with limited liability under the Indian Companies Act, 1956)

U.S.$500,000,000 4.0% Senior Notes due 2027
Issue Price: 99.128%

The U.S.$500,000,000 4.0% Senior Notes due 2027 the "**Notes**") will be issued by Adani Ports and Special Economic Zone Limited (the "**Company**" or the "**Issuer**") on 30 June 2017 (the "**Closing Date**"). The Notes will bear interest at the rate of 4.0% per annum of the principal amount of the Notes, payable semi-annually in arrear on the interest payment dates falling on 30 January and 30 July of each year. Payment on the Notes will be made without deduction for or on account of taxes of India to the extent described under *"Terms and Conditions of the Notes — Taxation"*.

Subject to the receipt of the necessary approvals under the ECB Guidelines, the Notes may be redeemed at the option of the Issuer in whole or in part at their principal amount (together with interest accrued to (but excluding) the date fixed for redemption) in the event of certain changes relating to taxation in India. Unless previously redeemed or repurchased and cancelled, the Notes will be redeemed on 30 July 2027 (the "**Maturity Date**") at their principal amount together with accrued but unpaid interest (if any). Subject to the receipt of the necessary approvals under the ECB Guidelines, the Company will, at the option of the Noteholders, redeem any outstanding Notes upon the occurrence of a Change of Control Triggering Event (as defined in the Terms and Conditions of the Notes), at 101% of their principal amount together with accrued but unpaid interest (if any). Subject to the receipt of the necessary approvals under the ECB Guidelines, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' written notice to the Noteholders and the Trustee at their principal amount *plus* the Applicable Premium (as defined in the Terms and Conditions of the Notes) (together with interest accrued to (but excluding) the date fixed for redemption). See *"Terms and Conditions of the Notes"*.

Prior to this offering there has been no market for the Notes. Application will be made for the listing and quotation of the Notes on the official list of the Singapore Exchange Securities Trading Limited. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Offering Circular. Admission of the Notes to the SGX-ST is not to be taken as an indication of the merits of our Company or the Notes.

The Notes will be issued in registered form in denominations of U.S.$200,000 each and integral multiples of U.S.$1,000 in excess thereof.

The Notes will (subject to certain conditions) be unsecured and unsubordinated obligations of the Issuer, senior in right of payment to any future obligations of the Issuer expressly subordinated in right of payment to the Notes, and will rank at least *pari passu* in right of payment with all unsecured and unsubordinated indebtedness of the Issuer (subject to any priority rights of such unsecured and unsubordinated indebtedness pursuant to applicable law). Claims of the Issuer's secured creditors will have priority with respect to their security over the claims of holders of the Notes, to the extent of the value of the assets securing such indebtedness. The Notes will not be guaranteed by any of the Issuer's Subsidiaries and, accordingly, will be structurally subordinated to the liabilities of the Issuer's Subsidiaries.

For a discussion of certain risks related to our Company and the Notes, see "*Risk Factors*".

Notes that are offered and sold in offshore transactions in reliance on Regulation S ("**Regulation S**") under the Securities Act of 1933 (the "**Securities Act**") will be represented by beneficial interests in an unrestricted global Certificate (the "**Regulation S Global Certificate**") in registered form, without interest coupons attached, which will be registered in the name of the nominee for, and shall be deposited on or about the Closing Date with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Notes that are offered and sold in reliance on Rule 144A under the Securities Act ("**Rule 144A**") will be represented by beneficial interests in a restricted global Certificate (the "**Rule 144A Global Certificate**" and, together with the Regulation S Global Certificate, the "**Global Certificates**") in registered form, without interest coupons attached, which will be deposited on or about the Closing Date with a custodian (the "**Custodian**") for, and registered in the name of Cede & Co. as nominee for, The Depository Trust Company ("**DTC**").

The Notes have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold within the United States, except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold within the United States to qualified institutional buyers in reliance on Rule 144A and outside the United States in offshore transactions as defined in and in reliance on Regulation S.

This Offering Circular has not been and will not be registered as a prospectus or a statement in lieu of prospectus in respect of a public offer, information memorandum or private placement offer letter or any other offering material with the Registrar of Companies in India or any other regulatory authority, in accordance with the Companies Act, 2013 and other applicable laws in India for the time being in force. This Offering Circular has not been and will not be reviewed or approved by any regulatory authority in India or Indian stock exchange. This Offering Circular and the Notes are not and should not be construed as an advertisement, invitation, offer or sale of any securities whether by way of private placement or to the public in India. The Notes will not be offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any person resident in India.

This Offering Circular is an advertisement and is not a prospectus for the purpose of EU Directive 2003/71/EC.

Joint Global Coordinators and Joint Bookrunners (in alphabetical order)

Barclays **Citigroup** **Standard Chartered Bank**

Joint Bookrunners (in alphabetical order)

MUFG **SBICAP**

Offering Circular dated 22 June 2017

Neither the U.S. Securities and Exchange Commission (the "**SEC**") nor any state securities commission has approved or disapproved of the Notes or determined if this Offering Circular is truthful or complete. Any representation to the contrary is a criminal offence in the United States.

Our Company, as well as Barclays Bank PLC, Citigroup Global Markets Limited, Standard Chartered Bank, MUFG Securities EMEA plc and SBICAP (Singapore) Limited (together, the "**Joint Bookrunners**") reserve the right to withdraw the offering of the Notes at any time or to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the Notes offered hereby.

This Offering Circular is personal to the prospective investor to whom it has been delivered by the Joint Bookrunners or any of their respective affiliates and does not constitute an offer to any other person or to the public in general to subscribe for or otherwise acquire the Notes. Distribution of this Offering Circular to any person other than the prospective investor and those persons, if any, retained to advise that prospective investor with respect thereto is unauthorised, and any disclosure of its contents without our Company's prior written consent is prohibited. The prospective investor, by accepting delivery of this Offering Circular, agrees to the foregoing and agrees not to make any photocopies of this Offering Circular.

This Offering Circular is intended solely for the purpose of soliciting indications of interest in the Notes from qualified investors and does not purport to summarise all of the terms, conditions, covenants and other provisions contained in any transaction documents described herein. The information provided herein is not exhaustive. The market information in this Offering Circular has been obtained by our Company from publicly available sources deemed by it to be reliable. Notwithstanding any investigation that the Joint Bookrunners or any of their respective affiliates may have conducted with respect to the information contained herein, the Joint Bookrunners do not accept any liability in relation to the information contained in this Offering Circular or its distribution or with regard to any other information supplied by or on our Company's behalf.

Prospective investors in the Notes should rely only on the information contained in this Offering Circular. Neither our Company nor the Joint Bookrunners, The Bank of New York Mellon (the "**Trustee**"), the Agents (as defined in the Terms and Conditions of the Notes) or any of their respective affiliates have authorised the provision of information different from that contained in this Offering Circular. The information contained in this Offering Circular may be accurate only as at the date of such information, regardless of the time of delivery of this Offering Circular or of any sale of the Notes. Neither the delivery of this Offering Circular nor any sale made hereunder shall under any circumstances imply that there has been no change in our Company's affairs and those of each of its respective Subsidiaries or that the information set forth herein is correct as at any date subsequent to the date hereof.

Prospective investors hereby acknowledge that (i) they have not relied on the Joint Bookrunners, the Trustee or the Agents or any person affiliated with the Joint Bookrunners, the Trustee or the Agents in connection with any investigation of the accuracy of such information or their investment decision, and (ii) no person has been authorised to give any information or to make any representation concerning our Company or the Notes (other than as contained herein and information given by our Company's duly authorised officers and employees, as applicable, in connection with investors' examination of our Company, and the terms of this offering) and, if given or made, any such other information or representation should not be relied upon as having been authorised by our Company, the Joint Bookrunners, the Trustee, the Agents or any of their respective affiliates.

None of the Joint Bookrunners, our Company, the Trustee, the Agents or their respective affiliates or representatives is making any representation to any offeree or purchaser of the Notes offered hereby regarding the legality of any investment by such offeree or purchaser under applicable legal investment or similar laws. None of the Joint Bookrunners, the Trustee, the Agents or their respective affiliates or representatives makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. To the fullest extent permitted by law, none of the Joint Bookrunners, any of their respective affiliates, the Trustee or the Agents accepts any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by the Joint Bookrunners, any of their respective affiliates, the Trustee or the Agents or on their behalf in connection with our Company or the issue and offering of the Notes. Each of the Joint Bookrunners, the Trustee and the Agents accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement.

Each prospective investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of our Company and the terms of the Notes being offered, including the merits and risks involved and its purchase of the Notes should be based upon such investigations with its own tax, legal and business advisers as it deems necessary. See "*Risk Factors*" for a discussion of certain factors to be considered. Any prospective investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

This Offering Circular does not constitute an offer to sell, or a solicitation of an offer to buy, any Notes offered hereby by any person in any jurisdiction in which it is unlawful for such person to make an offer or solicitation in such jurisdiction.

The distribution of this Offering Circular and the offer and sale of the Notes may, in certain jurisdictions, be restricted by law. None of the Joint Bookrunners, any of their respective affiliates, our Company, the Trustee or the Agents represents that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by our Company or the Joint Bookrunners or any of their respective affiliates which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

Each purchaser of the Notes (each, a "**Noteholder**") must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this Offering Circular, and must obtain any consent, approval or permission required for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes purchases, offers or sales. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the offer and sale of the Notes, and the circulation of documents relating thereto, in certain jurisdictions including the United States and the European Economic Area and to persons connected therewith. See "*Subscription and Sale*" and "*Transfer Restrictions*".

This Offering Circular has been prepared on the basis that all offers of the Notes will be made pursuant to an exemption under Article 3 of the Prospectus Directive, as implemented in member states of the European Economic Area, from the requirement to produce a prospectus for offers of the Notes.

In connection with the issue of the Notes, Standard Chartered Bank (the "**Stabilisation Manager**") or any person acting on behalf of the Stabilisation Manager may, to the extent permitted by applicable laws and directives, over-allot the Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail, but, in so doing, the Stabilisation Manager or any person acting on behalf of the Stabilisation Manager shall act as principal and not as agent of our Company. However, there is no assurance that the Stabilisation Manager or any person acting on behalf of the Stabilisation Manager will undertake stabilisation action. Any loss or profit sustained as a consequence of any such overallotment or stabilisation shall be for the account of the Joint Bookrunners.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Offering Circular, unless the context otherwise indicates or implies, references to "you", "your", "offeree", "purchaser", "subscriber", "recipient", "investors", "prospective investors" and "potential investor" are to the prospective investors in the Offering, references to "our Company" are to Adani Ports and Special Economic Zone Limited, and references to "we", "us" or "our" are to Adani Ports and Special Economic Zone Limited, its Subsidiaries, joint ventures and associate on a consolidated basis, unless otherwise specified.

In this Offering Circular, references to "Rupees" and "Rs." are to Indian Rupees, the legal currency of India and references to "U.S. Dollars" and "U.S.$" are to United States dollars, the legal currency of the United States. References herein to the "U.S." or the "United States" are to the United States of America and its territories and possessions and references to "India" are to the Republic of India and its territories and possessions.

In this Offering Circular, references to "lakh" and "lac" mean "100 thousand"; "million" means "10 lakh"; "crore" means "10 million" or "100 lakhs"; and "billion" means "1,000 million" or "100 cores". References in this Offering Circular to the word "acre" mean "43,559.6 square feet" and "hectare" mean "107,639.1 square feet".

Unless otherwise stated, references in this Offering Circular to a particular year are to the calendar year ended on 31 December and to a particular "Fiscal Year" or "FY" are to the year ended on 31 March. This Offering Circular contains our audited consolidated financial statements for Fiscal Years 2015, 2016 and 2017. The audited consolidated financial statements for Fiscal Years 2015, 2016 and 2017 are presented in Rupees millions.

The Company was required to prepare financial statements in accordance with generally accepted accounting principles in India ("**Indian GAAP**") until 31 March 2016. The Ministry of Corporate Affairs has issued Indian Accounting Standards ("**Ind AS**") which are applicable with effect from 1 April 2016 to the companies covered under phase I. As our Company is covered under phase I, we are required to prepare our financial statements in accordance with Ind AS with effect from 1 April 2016.

Accordingly, the financial information of the Company in this Offering Circular is prepared and presented as follows: (i) with respect to Fiscal Years 2015 and 2016, it is prepared and presented in

accordance with Indian GAAP on a consolidated basis; (ii) with respect to Fiscal Year 2016 only, it is prepared and presented in accordance with recognition and measurement principles of Ind AS on a consolidated basis, and (iii) with respect to Fiscal Year 2017, it is prepared and presented in accordance with Ind AS on a consolidated basis.

The financial information for Fiscal Year 2016 presented in accordance with recognition and measurement principles of Ind AS is derived from the Special Purpose Consolidated Ind AS Financial Statements (the "**Special Purpose Consolidated Ind AS Financial Statements for Fiscal Year 2016**") and the report thereon which are not included in this Offering Circular. The Special Purpose Consolidated Ind AS Financial Statements for Fiscal Year 2016 were prepared in accordance with recognition and measurement principles of Ind AS and the basis of preparation as set out in the accompanying notes thereto and do not include comparative information and do not consider any events or circumstances which have occurred after 3 May 2016, for which the auditors have included a modification in their report. We have therefore provided a reconciliation between the figures for Fiscal Year 2016 prepared and presented in accordance with Indian GAAP on a consolidated basis (the "**2016 Indian GAAP Figures**") and the figures for Fiscal Year 2016 prepared and presented in accordance with recognition and measurement principles of Ind AS on a consolidated basis (the "**2016 Special Purpose Ind AS Figures**"). For details regarding the reconciliation between the 2016 Indian GAAP Figures and the 2016 Special Purpose Ind AS Figures, see Note 47 to the consolidated Ind AS financial statements for Fiscal Year 2017.

Indian GAAP and Ind AS differ in certain significant respects from International Financial Reporting Standards ("**IFRS**") and U.S. GAAP and, accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP or Ind AS included in this Offering Circular will provide meaningful information is entirely dependent on the reader's familiarity with the respective accounting policies.

As a result, our financial statements prepared under Ind AS for the period commencing from 1 April 2016 may not be comparable to our historical financial statements. For further details in relation to the impact of Ind AS on the preparation and presentation of our financial statements, see "*Description of Certain Differences between Indian GAAP, Ind AS and IFRS*".

Our Company does not provide a reconciliation of its financial statements to IFRS or U.S. GAAP financial statements. For further details, see *"Risk Factors — Risks Related to India — Significant differences exist between Indian GAAP, Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition"*.

The comparative numbers in the consolidated financial statements of the Company for Fiscal Years 2015 and 2016 as presented in this Offering Circular have been regrouped and, wherever appropriate, reclassified in order to present the figures on a substantially consistent basis compared to the consolidated financial statements for the respective Fiscal Year. Financial information for Fiscal Year 2015 appearing in this Offering Circular are based on figures appearing as comparatives in the audited consolidated financial statements for Fiscal Year 2016 found elsewhere in this Offering Circular.

In this Offering Circular, we refer to EBITDA and Ratio of Earnings to Fixed Charges, which are non-GAAP measures. EBITDA from operations is defined as profit after tax before minority interest/share of profit from associates from operations and adjusted for tax expenses, other income, finance costs and depreciation and amortisation expenses and further adjusted for certain prior period items. Ratio of Earnings to Fixed Charges is defined as the ratio of profit before tax from operations, plus interest and bank charges plus interest on borrowings capitalised to interest expenses plus

financial expenses capitalised. The Company's management believes that EBITDA and Ratio of Earnings to Fixed Charges provides investors with additional information about the Company's performance, as well as the ability to incur and service debt and make capital expenditures, and is a measure commonly used by investors. This data, however, should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Indian GAAP or Ind AS.

EBITDA and Ratio of Earnings to Fixed Charges described in this Offering Circular are not a substitute for Indian GAAP or Ind AS measures of earnings and may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated. For a reconciliation of EBITDA to profit after tax before minority interest, please see "*Summary Financial Information*". For a reconciliation of Earnings to Fixed Charges, please see "*Summary Financial Information*". These non-GAAP measures should be read in conjunction with the "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" and with the consolidated financial statements.

In this Offering Circular, certain amounts have been rounded; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Any reference in this Offering Circular to any law, regulation or notification is a reference to such law, regulation or notification as the same may have been, or may from time to time be, amended, supplemented or replaced.

The information on the Company's websites, the websites of any of its Subsidiaries, any website referred herein or any website directly or indirectly linked to such websites, is not incorporated by reference into this Offering Circular and should not be relied upon.

U.S. INFORMATION

This Offering Circular is being submitted on a confidential basis in the United States to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of the Notes. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

For this offering, the Company and the Joint Bookrunners are relying upon exemptions from registration under the Securities Act for offers and sales of securities which do not involve a public offering, including Rule 144A. The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Notes are being offered and sold outside the United States in reliance on Regulation S and within the United States to "qualified institutional buyers" in reliance on Rule 144A.

Prospective investors are hereby notified that sellers of the Notes may be relying on the exemption from the provision of Section 5 of the Securities Act provided by Rule 144A. The Notes are subject to restrictions on transferability and resale. Purchasers of the Notes may not transfer or resell the Notes except as permitted under the Securities Act and applicable state securities laws.

For a description of these and certain further restrictions on offers, sales and transfers of the Notes and distribution of this Offering Circular, see "*Subscription and Sale*" and "*Transfer Restrictions*".

The Notes have not been approved or disapproved by the SEC, any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with resales of the Notes, we will furnish, upon request of a holder of the Notes and a prospective purchaser designated by a holder, the information required to be delivered under Rule 144A(d)(4) if at the time of such request we are neither a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934 (the "**Exchange Act**") nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. So long as any of the Notes remain outstanding, we will deliver to the Trustee and provide to the Noteholders upon request our annual and semi-annual financial statements, as soon as they are available, but in any event within 120 days after the end of our Company's Fiscal Year (in the case of our annual financial statements), and within 90 days after the end of our Company's second fiscal quarter of each Fiscal Year (in the case of our semi-annual unaudited financial statements).

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates and other industry data pertaining to our businesses contained in this Offering Circular consists of estimates based on data reports compiled by professional organisations and analysts, data from other external sources and our knowledge of the markets in which we compete. The statistical information included in this Offering Circular relating to the industries in which we operate has been reproduced from various trade, industry and government publications and websites including:

- Annual Report 2015-16, Ministry of Finance, Budget Division (Government of India);
- Annual Report 2013-14, Ministry of Shipping (Government of India);
- Annual Report 2016-17, Ministry of Shipping (Government of India);
- Basic Port Statistics 2009-10, Ministry of Shipping (Government of India);
- Cargo Traffic Report Fiscal Year 2014, GMB;
- CIA World Factbook;
- First Five Year Plan of India, Indian Ports Association;
- Indian Port Analysis, May 2017, Indian Brand Equity Forum;
- Indian Ports Association (December 2015);
- IMF World Economic Outlook, April 2017, Gaining Momentum;
- Load Generation Balance Report 2014-2015 (May 2014), Central Electricity Authority of India;
- Manual on Port Statistics (up to 31 March 2014), Transport Research Wing, Ministry of Road Transport & Highways (Government of India);
- Maritime Agenda: 2010-2020, Ministry of Shipping (Government of India);
- Ministry of Commerce and Industry Report;
- Ministry of Petroleum & Natural Gas, Press Release on September 21, 2016;
- Ministry of Statistics and Programme Implementation (Government of India);
- National Capital Region Planning Board, Ministry of Urban Development (Government of India);
- Natural Gas for the Twelfth Five Year Plan of India, Planning Commission;
- Ports, India Brand Equity Foundation, April 2017;
- Rates Branch Systems, Indian Railways Shortest Path
- Reserve Bank of India, Monetary Policy Report (April 2016);

- Sagarmala: National Perspective Plan (April 2016), Ministry of Shipping (Government of India);
- Update on Indian Port Sector (March 2016), Ministry of Road Transport & Highways (Government of India);
- Update on Indian Port Sector (June 2015), Transport Research Wing, Ministry of Shipping (Government of India);
- Update on Indian Port Sector (Up to 31 March 2016), Indian Ports Association;
- West vs. East Major Ports Traffic, Ministry of Shipping (Government of India); and
- Year-end Review, Setting the Stage for Growth, Ministry of Shipping (Government of India).

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analyses and estimates, so we rely on internally developed estimates. While we have compiled, extracted and reproduced this data from external sources, including third parties, trade, industry or general publications, we accept responsibility for accurately reproducing such data. However, neither we nor the Joint Bookrunners, any of their respective affiliates, the Trustee or the Agents have independently verified this data and neither we nor the Joint Bookrunners, any of their respective affiliates, the Trustee or the Agents make any representation regarding the accuracy of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Joint Bookrunners, any of their respective affiliates, the Trustee or the Agents can assure potential investors as to their accuracy. Internal and third-party estimates and projections cited in this Offering Circular are subject to significant uncertainties that could cause actual data to differ materially from the estimated or projected figures. No assurances are or can be given that these figures will be achieved. As a result, you are cautioned against undue reliance on such information. The extent to which the market and industry data contained in this Offering Circular is meaningful depends on the investor's familiarity with an understanding of the methodologies used in compiling such data.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Offering Circular that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "guideline", "intend", "may", "objective", "plan", "potential", "predict", "project", "pursue", "shall", "should", "target", "will", "would", or other words or phrases of similar import but these are not the exclusive means of identifying these statement.

All statements regarding our expected financial condition, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, growth plans and other matters discussed in this Offering Circular that are not historical facts. These forward-looking statements and any other projections contained in this Offering Circular (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results,

performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- Changes in global economic, political and social conditions.
- Changes in economic and political conditions and increases in regulatory burdens in India and other countries in which the Company operates, transacts business or has interests.
- Accidents and natural disasters in India or in other countries in which we operate or globally, including specifically India's neighbouring countries.
- Risks in connection with our reliance on concessions, sub-concessions and licences from government and quasi-governmental organisations.
- Our business and operations may be adversely affected due to violations of environmental regulations during the development of port facilities.
- Reliance on a small number of customers for a large proportion of our income and a loss of any of these customers could affect our profitability.
- The nature of our contracts with our customers contain inherent risks and contain certain provisions which, if exercised, could result in an adverse effect on our business and results of operations.
- Other factors discussed in this Offering Circular, including under "Risk Factors".
- Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Industry Overview" and "Our Business".
- Our investments in developing additional services, facilities and sources of income for our port business may not be successful.
- Our business and operating strategy and our ability to implement such strategy.
- Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business and results of operations.
- Our ability to ensure continuity of senior management and ability to attract and retain key personnel.
- The availability and terms of external financing.
- Cost overruns or delays in commencement of new projects.
- Changes in exchange controls, import controls or import duties, levies or taxes, either in international markets or in India.

- The risks of increased costs in technologies related to our operations and the uncertainty of such technologies producing expected results.

- Changes in the value of the rupee against major global currencies and other currency changes.

- The ability of third parties to perform in accordance with contractual terms and specifications.

- Acquisitions and divestitures which we may undertake.

The forward-looking statements contained in this Offering Circular are based on the beliefs of the management of our Company, as well as the assumptions made by and information currently available to the management of our Company. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from those described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. The forward-looking statements speak only as at the date of the Offering Circular and none of the Company, the Joint Bookrunners, the Trustee or the Agents assume any responsibility to update or revise any of the forward-looking statements to reflect events or circumstances after the date of this Offering Circular.

ENFORCEABILITY OF CIVIL LIABILITIES

Our Company is a limited liability public company incorporated under the laws of India. Substantially all of our Company's directors and executive officers named herein are residents of India and all or a substantial portion of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors to effect service of process on our Company or such persons in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon civil liabilities of our Company or such directors and executive officers under laws other than Indian laws, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

In addition, India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Our Company understands that the statutory basis for recognition and enforcement of foreign judgments is provided for under section 13 and section 44A of the Indian Code of Civil Procedure, 1908 (the "**Civil Code**"). Section 44A of the Civil Code provides that, where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, section 44A of the Civil Code is applicable only to monetary decrees other than those being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards, even if such awards are enforceable as a decree or judgment.

While each of the United Kingdom, Singapore and Hong Kong has been declared by the Government of India to be a reciprocating territory for the purposes of section 44A of the Civil Code and the High Courts in England as the relevant superior courts, the United States has not been declared by the government of India to be a reciprocating territory for the purposes of section 44A. Accordingly, a judgment of a superior court in the United Kingdom may be enforceable by proceedings in execution, and a judgment not of a superior court, by a fresh suit resulting in a judgment or order. A judgment of a court in a jurisdiction which is not a reciprocating territory, including that of a court in the United States, may be enforced only by a new suit upon the judgment and not by proceedings in execution. Section 13 of the Civil Code provides that a foreign judgment to which this section applies shall be conclusive as to any matter thereby directly adjudicated upon except: (i) where it has not been pronounced by a court of competent jurisdiction; (ii) where it has not been given on the merits of the case; (iii) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases where such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where it has been obtained by fraud; or (vi) where it sustains a claim founded on a breach of any law in force in India. Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on record and such presumption may be displaced by proving, want of jurisdiction. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice.

A party seeking to enforce a foreign judgment in India is required to obtain approval from the Reserve Bank of India (the "**RBI**") under the Foreign Exchange Management Act, 1999, to execute such a judgment and repatriate outside India any amount recovered pursuant to execution. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment.

Our Company would not be entitled to immunity based on sovereignty from any legal proceedings in India.

EXCHANGE RATE INFORMATION

The following table sets forth, for the periods indicated, information concerning exchange rates between the Rupee and the U.S. Dollar. Exchange rates are based on the reference rates released by the RBI, which are available on the website of RBI. No representation is made that any Rupee or U.S. Dollar amounts set forth herein and referred to elsewhere in this Offering Circular could have been, or could be, converted into U.S. Dollars or Rupee, as the case may be, at any particular rate, the rates stated below or at all.

	Period end	Average[(1)]	High	Low
		(Rs. per U.S. $1.00)		
Fiscal Year:				
2013	54.3893	54.4512	57.2165	50.5645
2014	60.0998	60.4962	68.3611	53.7355
2015	62.5908	61.1471	63.7498	58.4260
2016	66.3329	65.4611	68.7775	62.1580
2017	64.8386	67.0896	68.7235	64.8386
Month:				
December 2016	67.9547	67.9004	68.3734	67.4325
January 2017	67.8125	68.0804	68.2310	67.7884
February 2017	66.7375	67.0755	67.6458	66.7249
March 2017	64.8386	65.8767	66.8482	64.8386
April 2017	64.2170	64.5071	65.0438	64.0013
May 2017	64.5459	64.4248	64.9906	64.0214
June 2017 (up to 16 June 2017)	64.5883	64.3856	64.5883	64.2584

Note:

(1) Average of the official rate of each working day in the relevant year/period. (*Source: Reserve Bank of India*)

For 9 June 2017, the exchange rate was Rs. 64.2584 per U.S.$1.00. For comparison purposes, the exchange rate as set forth in the H.10 statistical release of the United States Federal Reserve Board as at 9 June 2017 was U.S.$1.00 = Rs. 64.2400.

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DEFINITIONS AND ABBREVIATIONS

This Offering Circular uses the definitions and abbreviations set forth below which, unless otherwise specified, you should consider when reading the information contained herein.

Company and Industry Related Terms

Adani Dahej	Adani Petronet (Dahej) Port Private Limited
Adani Ennore	Adani Ennore Container Terminal Private Limited
Adani Group	Adani Enterprises Limited, our Company, Adani Power Limited and Adani Transmission Limited along with their respective subsidiaries, joint ventures and associates and such other companies, firms and ventures promoted and/or owned by our Promoters
Adani Hazira	Adani Hazira Port Private Limited
Adani Kandla	Adani Kandla Bulk Terminal Private Limited
Adani Logistics	Adani Logistics Limited
Adani Murmugao	Adani Murmugao Port Terminal Private Limited
Adani Vizag	Adani Vizag Coal Terminal Private Limited
Adani Vizhinjam	Adani Vizhinjam Port Private Limited
AAPTHPL	Adani Abbot Point Terminal Holding Pty Limited
AICTPL	Adani International Container Terminal Private Limited
AKPL	Adani Kattupalli Port Private Limited
APPHPL	Abbot Point Port Holdings Pte. Limited
Articles of Association or Articles	The Articles of Association of our Company, as amended from time to time
Auditor	M/s S.R.B.C. & Co. LLP.
Board or Board of Directors	The board of directors of our Company
CT1 Sub-concession Agreement	Sub-concession agreement dated 7 January 2003 between MICTL and our Company
Dahej Port	The port at Dahej, Gujarat
Dhamra Port	The port at Dhamra, Odisha
Directors	Directors on the Board, as may be appointed from time to time

DPCL	Dhamra Port Company Limited
DWT	Deadweight tonnage
Ennore Port	The port at Ennore, Tamil Nadu, which has been renamed the Kamarajar Port with effect from 25 February 2014
Equity Shares	Ordinary shares in the capital of our Company of face value of Rs. 2 each
GMB	Gujarat Maritime Board
Hazira Port	The port at Hazira, Gujarat
Income Tax Act	Income Tax Act, 1961
Kandla Port	The port at Kandla, Gujarat
Karnavati Aviation	Karnavati Aviation Private Limited
Memorandum of Association or Memorandum	Memorandum of Association of our Company, as amended from time to time
MICTL	Mundra International Container Terminal Private Limited
MITAP	Mundra SEZ Textile and Apparel Park Private Limited
MPPL	Mundra Port Pty Limited
mmt	Million metric tonnes
mmtpa	Million metric tonnes per annum
Murmugao Port	The port at Murmugao, Goa
Mundra Port	The port at Mundra, Gujarat
Mundra SEZ	Mundra Special Economic Zone
NBFC	Non-Banking Financial Corporation
NCDs	Non-convertible debentures
NCLT	National Company Law Tribunal
NGT	National Green Tribunal
our Company	Adani Ports and Special Economic Zone Limited, a public limited company incorporated under the Companies Act
POL	Petroleum, oil and lubricants

Promoters	Mr. Gautam S. Adani and Mr. Rajesh S. Adani
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1) (zb) of the SEBI Regulations
registered office	Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat, India
Subsidiaries	The subsidiaries of our Company in accordance with the accounting standards notified under the Companies Act
TAMP	Tariff Authority for Major Ports
TAHSPL	The Adani Harbour Services Private Limited
TEU	Twenty-foot Equivalent Unit
ULCC	Ultra large crude carrier
Vizag Port	The port at Visakhapatnam, Andhra Pradesh
VLCC	Very large crude carrier
we or us or our	Unless the context otherwise requires, Adani Ports and Special Economic Zone Limited, its Subsidiaries, joint ventures and associates on a consolidated basis

Conventional and General Terms

BSE	BSE Limited
CAGR	Compounded annual growth rate
Civil Code	Code of Civil Procedure, 1908
Clearing Systems	DTC, Euroclear and Clearstream, Luxembourg
Clearstream, Luxembourg	Clearstream Banking S.A., incorporated under the laws of The Grand Duchy of Luxembourg
Common Depositary	A common depositary in London for Clearstream, Luxembourg and Euroclear
Companies Act	The Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	The Companies Act, 1956
Companies Act, 2013	The Companies Act, 2013, together with the rules and regulations thereunder
ECB	External commercial borrowings

ECB Guidelines	Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000, and the circulars issued thereunder from time to time including the Master Direction on External Commercial Borrowings, Trade Credits, Borrowing and Lending in Foreign Currency by Authorised Dealers and persons other than Authorised Dealers dated 1 January 2016, and the applicable provisions of the Master Direction on Reporting under Foreign Exchange Management Act, 1999 dated 1 January 2016
Equity Listing Agreement	The equity listing agreements entered by our Company with each of the Stock Exchanges pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Exchange Act	The U.S. Securities Exchange Act of 1934
FEMA	Foreign Exchange Management Act, 1999, together with the rules and regulations thereunder
Fiscal Year or FY	Period of 12 months ended 31 March of that particular year
Foreign venture capital investors	Foreign venture capital investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GVA	Gross Value Added
Government of India	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
Income Tax Act	Income Tax Act, 1961
Ind AS	Indian Accounting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
Indian Ports Act	The Indian Ports Act, 1908
Indian Ports Bill	The draft Indian Ports Bill, 2011
ISO	International Organisation for Standardisation
Joint Global Coordinators and Joint Bookrunners	Barclays Bank PLC, Citigroup Global Markets Limited and Standard Chartered Bank

Joint Bookrunners	The Joint Global Coordinators and Joint Bookrunners, together with MUFG Securities EMEA plc and SBICAP (Singapore) Limited
Major Ports Act	Major Ports Act, 1963
MAT	Minimum Alternate Tax
MoEF	The Ministry of Environment and Forests, Government of India
Non-Resident	A person resident outside India, as defined under the FEMA and includes a Non-Resident Indian
Noteholders	Holders of the Notes
Notes	The U.S.$500,000,000 4.0% Senior Notes due 2027 of our Company
NSE	The National Stock Exchange of India Limited
RBI	Reserve Bank of India
Regulation S	Regulation S under the Securities Act
Rupee/Rs.	Indian Rupees
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Securities Act	The U.S. Securities Act of 1933
SEZ	Special Economic Zone
Supreme Court	Supreme Court of India
U.S. GAAP	Generally accepted accounting principles in the United States

Notwithstanding the definitions set out above, the defined terms in our financial statements shall have the meanings given to such terms therein.

SUMMARY

This summary highlights information contained elsewhere in this Offering Circular and does not contain all of the information that you should consider before investing in the Notes. You should read this entire document, including "Risk Factors" and the financial statements and related notes included elsewhere in this Offering Circular, before making an investment decision. This Offering Circular includes forward-looking statements that involve risks and uncertainties. See "Forward-Looking Statements".

Business Overview

We are India's largest private developer and operator of ports and related infrastructure. We provide fully integrated marine, handling, storage and logistics services. We have expanded our business from operating a single port at Mundra on the west coast of India to being a pan-India integrated logistics service provider operating eight ports/terminals and three inland container depots. We are further expanding our capacities at certain of our existing ports and are also in the process of developing an incremental terminal in the south of India at Vizhinjim.

With a total installed capacity of 333.08 mmtpa for handling a diverse cargo base, including dry and liquid bulk, containers, crude and automobiles, we handled 168.7 mmt of cargo in Fiscal Year 2017 and 151.5 mmt in Fiscal Year 2016. We believe that we are India's benchmark to global ports in terms of strengths, capacities and operations.

Our total income for Fiscal Years 2015 and 2016 as per Indian GAAP was Rs. 68,376.2 million and Rs. 79,405.5 million, respectively and our total income for Fiscal Years 2016 and 2017 as per Ind AS was Rs. 78,413.2 million and Rs. 94,794.6 million, respectively. Our net profit attributable to equity holders of the Company for Fiscal Years 2015 and 2016 as per Indian GAAP was Rs. 23,143.3 million and Rs. 28,673.6 million, respectively and our net profit attributable to equity holders of the Company for Fiscal Years 2016 and 2017 as per Ind AS was Rs. 28,971.6 million and Rs. 39,115.2 million, respectively.

Competitive Strengths

Our Company believes it has the following competitive strengths:

- strategic locations with advantageous natural characteristics;
- successful track record of project development and execution;
- extensive dedicated infrastructure around our ports allowing us to have better connectivity;
- fully integrated port and logistics services provider for diverse range of cargo;
- long-standing relationships with customers and strong business partnerships; and
- experienced senior management team.

Strategy

Our Company's key strategies are set out below:

- asset identification and optimisation;
- achieving synergies with our chain of ports to cater to India's international trade; and
- business development and operations specifically tailored across the various strategic business units.

Asset Overview

On the west coast of India, we developed and operate a port at Mundra Port, the largest commercial port in India by volume, where we also operate a container terminal under a joint venture agreement with the Mediterranean Shipping Company ("**MSC**"), a dry bulk terminal at the port at Dahej Port, a multi-purpose terminal and a container terminal at Hazira Port, a coal handling terminal at Murmugao Port, and a bulk cargo terminal at Kandla Port.

Mundra Port, Dahej Port and Hazira Port are capable of handling capesize vessels. At the south basin of Mundra Port, we recently commenced operations on an incremental container terminal which is being operated pursuant to a joint venture with CMA CGM. We are also developing an incremental extension to container terminal 3, at the south basin of Mundra, which is proposed to be operated by AICTPL, a joint venture with MSC, subject to arrangements that will be agreed upon, once construction is completed (which may include operation of the terminal by a sub-concessionaire pursuant to a sub-concession agreement enterd into by AICTPL and such operator). A liquefied natural gas terminal is also being developed at Mundra, under a proposed sub-concession by GSPC LNG Limited ("**GLL**") with our Company. Under the terms of the proposed sub-concession agreement, our Company would develop the civil infrastructure for the terminal, lease the land for the project to GLL and have the right to use the infrastructure. We have received environmental clearance for this project and the construction is in progress.

We also provide other services, including infrastructure, leasing and logistics services at Mundra Port and through its surrounding infrastructure, including the Mundra SEZ which we have developed and operate and which is one of the largest operating port-based multi-product SEZs in India.

On the east coast of India, we developed and operate a coal handling terminal at Vizag Port, and we acquired the Dhamra Port, which is also capable of handling capesize vessels.

On the southern coast of India, we have completed the construction of a container terminal at Ennore Port, and we operate a container terminal at Kattupalli Port on an interim basis, which we are in the process of acquiring subject to requisite approvals. We also signed a concession agreement to develop a deep water container handling terminal at the port of Vizhinjam in the state of Kerala.

Our port services include marine, intra-port transport, storage and handling, evacuation and other value-added services for a diverse range of customers, primarily terminal operators, shipping lines and agents, exporters, importers and other port users. We offer comprehensive end-to-end logistics solutions for handling a wide range of cargo through our wholly-owned Subsidiary, Adani Logistics, to complement our port facilities. We are also the first and only privately owned Indian port operator to be awarded a seat at the C40 World Ports Climate Conference.

Our total cargo volume handled for all of our operating ports increased to 168.7 mmt in Fiscal Year 2017 from 11.7 mmt in Fiscal Year 2006 (in which Mundra Port was our only operating port), representing a CAGR of 31.1% between Fiscal Years 2006 and 2017. Our total cargo volume handled for all of our operating ports was 151.1 mmt in Fiscal Year 2016 and 126.1 mmt in the first nine months of Fiscal Year 2017. For Fiscal Year 2016, our total cargo volume handled represented 30.7% of the total cargo handled at all Non-major Ports in India. Our total cargo handled represented 15.1% and 14.1% of the total cargo handled at all ports in India first nine months of Fiscal Year 2017 and Fiscal Year 2016, respectively.

We are a part of the Adani Group, which has significant interests across the resources (coal mining and trading), logistics (ports and logistics, shipping and rail), energy (power generation and transmission) and other ancillary industries, with a presence in India, Indonesia, Singapore, Australia, China and the Middle East. The Adani Group includes four listed companies in India: Adani Enterprises Limited ("**AEL**"), Adani Power Limited, Adani Transmission Limited and our Company. As a result of the composite scheme of arrangement for demerger between our Company and AEL effective from 1 April 2015, our Company ceased to be a Subsidiary of AEL.

Recent Developments

Reorganisation of marine business and consolidation of marine services

In December 2016, our Company acquired 100% of the equity shares of TM Harbour Services Private Limited (now renamed as The Adani Harbour Services Private Limited ("**TAHSPL**")) from a Tata group company in order to reorganise our marine business and consolidate our marine services (relating to tugging and towing activity) under TAHSPL to provide tug related marine services to shipping companies and our port customers. TAHSPL is a company registered under the tonnage tax regime, pursuant to which tax on shipping and marine activity is nominal. Following the acquisition, we initiated the demerger of our Company's marine business to TAHSPL. Accordingly, the National Company Law Tribunal ("**NCLT**") at Ahmedabad, by way of its final order dated 18 May 2017, ordered a NCLT-convened meeting of the shareholders and creditors of our Company to consider approving the proposed demerger. The NCLT-convened meeting is scheduled to be held on 27 June 2017. We believe this reorganisation of assets will result in reduced tax liability of our Company.

Adani Dahej and Adani Hazira have also initiated the process of demerging their respective marine business undertakings to TAHSPL through a separate scheme of arrangement. Accordingly, the NCLT at Ahmedabad, by way of its final order dated 18 April 2017, ordered a meeting of the shareholders and creditors of Adani Dahej and Adani Hazira to be convened on 27 May 2017, and subsequent to the meeting the shareholders and creditors approved the proposed demerger. Adani Dahej and Adani Hazira have filed the petition with NCLT for the final order.

8.22% Non-Convertible Debentures

In March 2017, our Company issued Rs. 10,000 million of non-convertible debentures ("**NCDs**") which bear an interest rate of 8.22% per annum. The NCDs are listed on the BSE and secured by way of exclusive charge on of the Coal and Bulk Terminal, situated in the West Basin at the Port of Mundra. The NCDs are redeemable in three equal installments at the end of the eighth, ninth and tenth year from 8 March 2017, the deemed date of allotment.

About Our Company

Our Company was incorporated and registered in the Republic of India on 26 May 1998 under the name Gujarat Adani Port Limited with registered number L63090GJ1998PLC034182. The name of our Company was changed to Mundra Port and Special Economic Zone Limited on 7 July 2006. The name of our Company was subsequently changed to Adani Ports and Special Economic Zone Limited on 6 January 2012. Our Company's shares were listed on 27 November 2007 on the BSE Limited and National Stock Exchange of India Limited.

Our Company's registered office is Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, India, telephone number +91 79 25555101. Our Company's website is http://www.adaniports.com/. Information on our Company's website does not constitute a part of this Offering Circular.

SUMMARY FINANCIAL INFORMATION

The comparative numbers in the Indian GAAP consolidated financial statements presented in this Offering Circular have been regrouped and, where appropriate, reclassified in order to present the figures on a substantially consistent basis compared to the audited consolidated financial statements for the respective Fiscal Year. Financial information from Fiscal Year 2015 appearing in this Offering Circular are based on figures appearing as comparatives in the audited consolidated financial statements for Fiscal Year 2016 prepared in accordance with Indian GAAP, found elsewhere in this Offering Circular.

Our consolidated financial statements for Fiscal Years 2015 and 2016 have been prepared as per Indian GAAP and the Companies Act, and our Special Purpose Consolidated Ind AS Financial Statements for Fiscal Year 2016 and our consolidated Ind AS financial statements for Fiscal Year 2017 have been prepared as per Ind AS. For details regarding the reconciliation between the 2016 Indian GAAP Figures and the 2016 Special Purpose Ind AS Figures, see Note 47 to the consolidated Ind AS financial statements for Fiscal Year 2017.

The financial information for Fiscal Year 2016 presented in accordance with recognition and measurement principles of Ind AS is derived from the Special Purpose Consolidated Ind AS Financial Statements for Fiscal Year 2016 which are not included in this Offering Circular. The Special Purpose Consolidated Ind AS Financial Statements for Fiscal Year 2016 were prepared in accordance with recognition and measurement principles of Ind AS and the basis of preparation as set out in the accompanying notes thereto and do not include comparative information and do not consider any events or circumstances which have occurred after 3 May 2016, for which the auditors have included a modification in their report.

The selected financial information for Fiscal Years 2015, 2016 and 2017 presented below should be read in conjunction with the audited consolidated financial statements for Fiscal Years 2015, 2016 and 2017 and the notes thereto included elsewhere in this Offering Circular and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*". Indian GAAP differs in certain respects from Ind AS, IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. For a discussion of certain significant differences between Indian GAAP, Ind AS and IFRS, see "*Description of Certain Differences Between Indian GAAP, Ind AS and IFRS*".

SUMMARY OF CONSOLIDATED ASSETS AND LIABILITIES
(as per Indian GAAP)

	As at 31 March	
Particulars	**2015**	**2016**
	(Rs. in Millions)	
EQUITY AND LIABILITIES		
SHAREHOLDERS' FUNDS		
Share Capital	4,168.2	4,170.0
Reserves and Surplus	103,510.5	128,066.3
Sub Total	**107,678.7**	**132,236.3**
Minority Interest	**1,589.8**	**1,428.8**
NON-CURRENT LIABILITIES		
Long-Term Borrowings	138,497.8	163,055.6
Deferred Tax Liabilities (Net)	8,590.2	10,665.3
Other Long-term Liabilities	6,845.6	6,063.5
Long-Term Provisions	2,927.8	730.7
Sub Total	**156,861.4**	**180,515.1**

Particulars	As at 31 March 2015	As at 31 March 2016
	(Rs. in Millions)	
CURRENT LIABILITIES		
Short-term Borrowings	13,055.5	31,941.6
Trade Payables		
Total Outstanding of Micro, Small and Medium Enterprises (MSME)	3.0	3.2
Total Outstanding of Other than MSME	3,620.4	4,045.2
Other Current Liabilities	33,213.7	42,475.2
Short-Term Provisions	4,799.4	999.3
Sub Total	**54,692.0**	**79,464.5**
Total	**320,821.9**	**393,644.7**
ASSETS		
NON-CURRENT ASSETS		
FIXED ASSETS		
Tangible assets	178,076.6	183,392.4
Intangible assets	1,195.1	1,125.7
Capital work-in-progress	12,755.5	23,866.3
	192,027.2	**208,384.4**
Goodwill on consolidation	25,997.2	25,997.2
Non-current investments	573.5	2,078.9
Deferred Tax Assets (net)	—	0.7
Loans and Advances	24,901.3	76,967.7
Trade Receivables	4,388.6	220.0
Other Non-Current Assets	5,025.5	13,380.6
Sub Total	**252,913.3**	**327,029.5**
CURRENT ASSETS		
Current Investment	2,028.7	1,365.7
Inventories	2,591.9	2,137.4
Trade Receivables	12,877.7	19,436.9
Cash & Bank Balances	6,337.8	12,909.5
Loans and Advances	37,438.0	23,359.7
Other Current Assets	6,634.5	7,406.0
Sub Total	**67,908.6**	**66,615.2**
Total	**320,821.9**	**393,644.7**

SUMMARY OF CONSOLIDATED PROFIT AND LOSS (as per Indian GAAP)

Particulars	For Fiscal Year 2015	2016
	(Rs. in Millions)	
Revenue from Operations	61,519.8	72,557.3
Other Income	6,856.4	6,848.2
Total Revenue	**68,376.2**	**79,405.5**
Expenses		
Operating Expenses	16,562.1	17,918.1
Employee Benefits Expense	2,371.6	2,821.7
Finance Costs	11,750.6	10,990.4
Depreciation and Amortisation Expenses	9,116.8	10,794.4
Other Expenses	3,563.0	5,312.3
Total Expenses	**43,364.1**	**47,836.9**
Profit before tax	**25,012.1**	**31,568.6**
Tax Expense		
Current Tax (including MAT)	5,392.0	7,333.6
MAT Credit Entitlement	(5,267.3)	(6,136.0)
Excess provision of earlier years written back	(312.9)	(2.7)
Deferred Tax Charge	1,955.4	2,074.3
Profit After Tax for the year	**23,244.9**	**28,299.4**
Share of Loss from Associates	**—**	**(46.8)**
Net Profit	**23,244.9**	**28,252.6**
Net Profit for the year attributable to:		
Minority Interest	101.6	(421.0)
Equity Holders of the parent	23,143.3	28,673.6
EBITDA (as per Indian GAAP)[(1)]	**39,023.1**	**46,505.2**

(1) EBITDA from operations is defined as profit after tax before minority interest/share of profit from associates from operations and adjusted for tax expenses, other income, finance costs and depreciation and amortisation expenses and further adjusted for certain prior period items. The Company's management believes that EBITDA provides investors with additional information about the Company's performance, as well as the ability to incur and service debt and make capital expenditures, and is a measure commonly used by investors. This data, however, should not be considered in isolation or as a substitute for measures of performance prepared as per Indian GAAP. EBITDA described in this Offering Circular is not a substitute for Indian GAAP measures of earnings and may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated. This non-GAAP measure should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" and with the consolidated financial statements included elsewhere in this Offering Circular.

The following table shows a reconciliation of EBITDA (as per Indian GAAP) to profit after tax before minority interest/ Share of Profit/Loss from associates as per Indian GAAP for the periods indicated:

Particulars	For Fiscal Year	
	2015	2016
	(Rs. in Millions)	
Profit after tax before minority interest/share of (loss)/profit from associates	**23,244.9**	**28,299.4**
Adjusted for:		
Tax expenses	1,767.2	3,269.2
Other income	(6,856.4)	(6,848.2)
Finance Costs	11,750.6	10,990.4
Depreciation and amortisation expenses	9,116.8	10,794.4
Total EBITDA (as per Indian GAAP)	**39,023.1**	**46,505.2**

SUMMARY OF CONSOLIDATED ASSETS AND LIABILITIES (as per IND AS)

Particulars	As at 31 March 2016	As at 31 March 2017
	(Rs. in Millions)	
Assets		
Non-Current Assets		
Property, Plant and Equipment	164,666.0	165,692.6
Capital work-in-progress	19,667.6	45,139.7
Goodwill	26,445.8	26,703.9
Other Intangible Assets	17,720.4	18,138.5
Financial assets		
(i) Investments	4,085.0	2,523.3
(ii) Trade Receivables	220.0	136.3
(iii) Loans	29,139.4	—
(iv) Loans - Jointly Controlled Entities	—	7,593.2
(v) Other financial assets	21,393.7	8,407.9
Deferred Tax Assets (net)	14,226.6	19,915.6
Other Non-Current Assets	17,897.0	22,525.6
	315,461.5	**316,776.6**
Current Assets		
Inventories	2,118.9	6,570.9
Financial assets		
(i) Investments	1,366.8	9,090.3
(ii) Trade Receivables	19,365.8	19,647.6
(iii) Customers' bills discounted	4,995.1	7,282.3
(iv) Cash and Cash Equivalents	8,430.0	9,510.3
(v) Bank Balances other than (iv) above	4,352.4	10,257.7
(vi) Loans	15,678.5	17,483.0
(vii) Loans — Jointly Controlled Entities	—	343.2
(viii) Other Financial Assets	5,999.6	10,066.2
(ix) Deposit Given for Acquisition	—	14,500.0
Other Current Assets	8,291.3	14,322.7
	70,598.4	**119,074.2**
Total assets	**386,059.9**	**435,850.8**

Particulars	As at 31 March 2016	As at 31 March 2017
	(Rs. in Millions)	
Equity And Liabilities		
Equity		
Equity Share Capital	4,141.9	4,141.9
Other Equity	130,913.0	171,117.9
Total Equity attributable to equity holders of the Company	**135,054.9**	**175,259.8**
Non-Controlling Interests	1,239.6	1,392.4
Total Equity	**136,294.5**	**176,652.2**
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
(i) Borrowings	158,196.7	179,932.4
(ii) Other Financial Liabilities	993.5	930.3
Provisions	48.0	110.1
Deferred tax liabilities	2,211.4	2,157.1
Other Non-Current Liabilities	9,344.5	10,509.6
	170,794.1	**193,639.5**
Current Liabilities		
Financial Liabilities		
(i) Borrowings	31,338.1	25,338.9
(ii) Customers' bills discounted	4,995.1	7,282.3
(iii) Trade payables	4,032.9	4,937.2
(iv) Other Financial Liabilities	34,678.1	19,976.6
Provisions	610.0	872.2
Liabilities for Current Tax(net)	309.6	1,939.1
Other Current Liabilities	3,007.5	5,212.8
	78,971.3	**65,559.1**
Total Liabilities	**249,765.4**	**259,198.6**
Total Equity and Liabilities	**386,059.9**	**435,850.8**

SUMMARY OF CONSOLIDATED PROFIT AND LOSS (as per IND AS)

Particulars	Year Ended 31 March 2016	Year Ended 31 March 2017
	(₹ in millions)	
Income		
Revenue from Operations	71,086.5	84,393.5
Other income	7,326.7	10,401.1
Total Income	**78,413.2**	**94,794.6**
Expenses		
Operating Expenses	18,353.0	21,678.9
Employee Benefits Expense	2,758.1	3,831.4
Depreciation and Amortisation Expenses	10,629.6	11,601.9
Foreign Exchange (Gain) / Loss (net)	503.0	(2,774.4)
Finance Costs		
Interest and Bank Charges	11,936.1	12,812.4
Derivative (Gain)/Loss (net)	(693.1)	1,119.4
Other Expenses	3,732.1	4,736.3
Total Expenses	**47,218.8**	**53,005.9**
Profit before tax	**31,194.4**	**41,788.7**
Tax Expense		
Current Tax (including MAT)	7,299.6	8,815.9
Adjustment of tax relating to earlier periods	(2.7)	1.3
Deferred Tax	1,667.2	1,753.3
Tax (credit) under Minimum Alternate Tax (MAT)	(6,136.0)	(7,704.2)
Total tax expense	**2,828.1**	**2,866.3**
Profit after tax and before share of profit/(loss) from jointly controlled entities	28,366.3	38,922.4
Share of profit from jointly controlled entities	192.7	92.6
Profit for the Year	**28,559.0**	**39,015.0**

Particulars	Year Ended 31 March	
	2016	2017
	(₹ in millions)	
Attributable to:		
Equity holders of the parent	28,971.6	39,115.2
Non-controlling interests	(412.6)	(100.2)
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	(33.8)	50.1
Income tax effect	11.7	(16.1)
	(22.10)	**34.0**
Net Gains on FVTOCI Equity Securities	231.6	32.4
Income tax effect	(39.7)	0.3
	191.9	32.7
Total comprehensive income for the year, net of tax	**28,728.8**	**39,081.7**
Attributable to:		
Equity holders of the parent	29,137.20	39,199.40
Non-controlling interests	(408.40)	(117.70)
EBITDA (as per Ind AS)[(1)]	45,933.0	57,013.9

(1) EBITDA from operations is defined as profit after tax before minority interest/share of profit from associates from operations and adjusted for tax expenses, other income, finance costs and depreciation and amortisation expenses and further adjusted for certain prior period items. The Company's management believes that EBITDA provides investors with additional information about the Company's performance, as well as the ability to incur and service debt and make capital expenditures, and is a measure commonly used by investors. This data, however, should not be considered in isolation or as a substitute for measures of performance prepared as per Ind AS. EBITDA described in this Offering Circular is not a substitute for Ind AS measures of earnings and may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated. This non-GAAP measure should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" and with the consolidated financial statements included elsewhere in this Offering Circular.

The following table shows a reconciliation of EBITDA (as per Ind AS) to profit after tax before minority interest/share of profit from associates in accordance with Ind AS for the periods indicated:

Particulars	For Fiscal Year 2016	2017
	(Rs. in Millions)	
Profit after tax before minority interest/share of profit from associates from operations	**28,559.0**	**39,015.0**
Adjusted for:		
Tax expenses	2,828.1	2,866.3
Other income	(7,326.7)	(10,401.1)
Finance Costs	11,243.0	13,931.8
Depreciation and amortisation expenses	10,629.6	11,601.9
Total EBITDA (as per Ind AS)	**45,933.0**	**57,013.9**

"Fixed Charges" is defined as interest expense plus bank and other finance charges plus financial expenses capitalised.

"**Earnings**" is defined as profit before tax, plus interest expense plus bank and other finance charges less dividend income on long-term investment.

Fixed Charges	(as per Indian GAAP) For Fiscal Year 2015	2016
	(Rs. in Millions)	
Interest expense	11,868.7	11,219.2
Add:Bank and other finance charges	573.5	1,022.8
Add: Financial expenses capitalised	129.1	516.4
Total	**12,571.3**	**12,758.4**

Fixed Charges	(as per with Ind AS) For Fiscal Year 2016	2017
	(Rs. in Millions)	
Interest expense	10,953.6	12,039.6
Add: Bank and other finance charges	982.5	772.8
Add: Financial expenses capitalised	516.4	629.5
Total	**12,452.5**	**13,441.9**

	(as per Indian GAAP)	
	For Fiscal Year	
Earnings	**2015**	**2016**
	(Rs. in Millions)	
Profit before tax	25,012.1	31,568.6
Add: Interest expense	11,868.7	11,219.2
Add: Bank and other finance charges	573.5	1,022.8
Less: Dividend income on Long-Term investment	20.0	10.0
Total	**37,454.3**	**43,820.6**
Ratio of Earnings to Fixed Charges	**3.0**	**3.4**

	(as per Ind AS)	
	For Fiscal Year	
Earnings	**2016**	**2017**
	(Rs. in Millions)	
Profit before tax	31,194.4	41,788.7
Add: Interest expense	10,935.6	12,039.6
Add: Bank and other finance charges	982.5	772.8
Less: Dividend income on Long-Term investment	10.0	22.0
Total	**43,102.5**	**54,579.1**
Ratio of Earnings to Fixed Charges	**3.5**	**4.1**

Certain of the ports in relation to which fixed charges were paid became operational in Fiscal Year 2015 and hence did not contribute fully to EBITDA for that year.

CONSOLIDATED CASH FLOWS (as per Indian GAAP)

	For Fiscal Year	
Particulars	**2015**	**2016**
	(Rs. in Millions)	
Net Cash from Operating Activities	30,570.7	25,786.3
Net Cash used in Investing Activities	(24,852.3)	(46,556.1)
Net Cash Flow from/used in Financing Activities	(2,365.3)	24,472.0

CONSOLIDATED CASH FLOWS (as per Ind AS)

Particulars	For Fiscal Year	
	2016	2017
	(Rs. in Millions)	
Net Cash from Operating Activities	23,805.2	40,019.0
Net Cash used in Investing Activities	(41,531.6)	(25,794.2)
Net Cash Flow from/used in Financing Activities	21,704.1	(13,247.1)

SUMMARY OF THE OFFERING

The following is a summary of the terms of the Notes. This summary is derived from, and should be read in conjunction with, the full text of the Terms and Conditions of the Notes and the Trust Deed constituting the Notes, which prevail to the extent of any inconsistency with the terms set out in this section. Capitalised terms used herein and not otherwise defined have the respective meanings given to such terms in the Terms and Conditions of the Notes.

Company	Adani Ports and Special Economic Zone Limited.
Issue	U.S.$500,000,000 4.0% Senior Notes due 2027.
Issue Price	The Notes will be issued at 99.128% of their principal amount.
Closing Date	30 June 2017.
Maturity Date	30 July 2027.
Redemption at Maturity	Unless previously redeemed or repurchased and cancelled, our Company will redeem each Note at its principal amount, together with accrued but unpaid interest (if any), on the Maturity Date.
Rate of Interest	The Notes will bear interest at the rate of 4.0% per annum from, and including, the Closing Date payable semi-annually in arrear on 30 January and 30 July of each year. The first payment (for the period from, and including the Closing Date to, but excluding 30 January 2018) will be made on 30 January 2018. The interest will be payable in accordance with the ECB Guidelines.
Status of the Notes	The Notes will constitute (subject to certain conditions) unsecured and unsubordinated obligations of the Company and will rank at all times *pari passu* without any preference among themselves and at least *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations of the Company but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights. Claims of our secured creditors will have priority with respect to their security over the claims of the holders of the Notes, to the extent of the value of the assets securing such indebtedness.

Negative Pledge	The Notes will not be guaranteed by any of our Subsidiaries and, accordingly, will be structurally subordinated to the liabilities of our Subsidiaries. So long as any Note remains outstanding, the Issuer shall not create or permit to subsist any Security (as defined in the Terms and Conditions of the Notes) for the benefit of the holders of any Securities (as defined in the Terms and Conditions of the Notes) upon the whole or any part of its property or assets, present or future, to secure (i) payment of any sum due in respect of any Securities; (ii) any payment under any guarantee of any Securities; or (iii) any indemnity or other like obligation in respect of any Securities, without in any such case at the same time according to the Notes (x) the same Security as is granted to or is outstanding in respect of such Securities or (y) such guarantee, indemnity or other like obligation or such other Security as shall be approved by the holders of the Notes. So long as any of the Notes remain outstanding, the Issuer will not, and will not permit any of its Subsidiaries to, directly or indirectly, provide any Security for the Indebtedness of any person other than a member of the APSEZ Group.
Redemption for Taxation Reasons	The Notes may be redeemed at the option of the Issuer in whole, or in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that on the occasion of the next payment due under the Notes the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 of the Terms and Conditions of the Notes as a result of any change in, or amendment to, the laws or regulations of the relevant Tax Jurisdiction (as defined in the Terms and Conditions of the Notes), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Closing Date and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Notes then due. Any redemption of the Notes prior to their stated maturity will require the prior approval of the RBI or the designated authorised dealer bank, as the case may be, under the ECB Guidelines, and such approval may not be forthcoming.

Redemption of Notes on a Change of Control	Upon the occurrence of a Change of Control Triggering Event (as defined in the Terms and Conditions of the Notes), each Noteholder shall have the right to require that the Issuer redeem such Noteholder's Notes at 101% of their principal amount (together with interest accrued to (but excluding) the date fixed for redemption). Any redemption of the Notes prior to their stated maturity will require the prior approval of the RBI or the designated authorised dealer bank, as the case may be, under the ECB Guidelines, and such approval may not be forthcoming.
Redemption of Notes at the Option of the Issuer	The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' written notice to the Noteholders and the Trustee, at their principal amount *plus* the Applicable Premium applicable to the Notes (together with interest accrued to (but excluding) the date fixed for redemption). No Applicable Premium applies if the Notes are redeemed within 30 days of the final maturity date. For the avoidance of doubt, none of the Agents or the Trustee have any responsibility with respect to the calculation of the Applicable Premium. Any redemption of the Notes prior to their stated maturity will require the prior approval of the RBI or the designated authorised dealer bank, as the case may be, under the ECB Guidelines.
Form and Denomination of Notes	The Notes will be issued in registered form in the denomination of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. The Notes will upon issue be represented by one or more Global Certificates (as defined herein) in fully registered form.

Events of Default	To the extent permitted by applicable law, if any of the events set out in "*Terms and Conditions of the Notes — Events of Default*" occurs and is continuing, the Trustee at its discretion may and if so requested by Noteholders holding at least one-quarter in principal amount of the Notes then outstanding or directed by an Extraordinary Resolution shall (provided that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest. The ECB Guidelines, at the time of any accelerated payment, may require the Issuer to obtain the prior approval of the RBI or the Authorised Dealer Bank, as the case may be, in accordance with the ECB Guidelines, before effecting the redemption of the Notes prior to their maturity, and such approval may not be forthcoming. See "*Terms and Conditions of the Notes — Events of Default*".
Cross-Acceleration	See Condition 9.3 of the "*Terms and Conditions of the Notes — Events of Default*".
Global Certificates	Notes which are offered and sold outside the United States in reliance on Regulation S will be represented by interests in a global certificate (the "**Regulation S Global Certificate**"), deposited with, and registered in the name of, the nominee for the common depositary for Euroclear and Clearstream, Luxembourg on or about the Closing Date. Notes that are offered and sold in the United States in reliance on Rule 144A will be represented by interests in a global certificate (the "**Rule 144A Global Certificate**" and, together with the Regulation S Global Certificate, the "**Global Certificates**"), deposited with a custodian for, and registered in the name of, Cede & Co., as nominee for DTC on or about the Closing Date. Beneficial interests in the Global Certificates will be shown on, and transfers thereof will be effected only through, records maintained by DTC, Euroclear, Clearstream, Luxembourg and their respective direct and indirect participants. Beneficial interests in the Global Certificates may not be exchanged for Notes in definitive form except in the limited circumstances described under "*Global Certificates*". See also generally "*Clearance and Settlement*" and "*Subscription and Sale*".

Taxation	All payments in respect of the Notes made by or on behalf of the Issuer will be made free and clear of and without deduction or withholding for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Republic of India or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is required by law.
Selling Restrictions	The Notes have not been registered under the Securities Act, or the securities laws of any other jurisdiction, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold in the United States only to qualified institutional buyers (as defined in Rule 144A) in accordance with Rule 144A and outside the United States in offshore transactions in accordance with Regulation S. There are other restrictions on the offer, sale and/or transfer of the Notes in, among others, India, Hong Kong, Japan, Singapore and the United Kingdom. Foreign branches or subsidiaries of Indian banks cannot subscribe for or hold the Notes under the ECB Guidelines currently in force. For a description of the selling restrictions on offers, sales and deliveries of the Notes, see "*Subscription and Sale*".
Listing	Application will be made for the listing and quotation of the Notes on the official list of the Singapore Exchange Securities Trading Limited. Admission of the Notes to the SGX-ST is not to be taken as an indication of the merits of our Company or the Notes. The Notes will trade on the SGX-ST in a minimum board lot size of U.S.$200,000, so long as any of the Notes remain listed on the SGX-ST. So long as the Notes are listed on the SGX-ST and the rules of that exchange so require, in the event that a Global Certificate is exchanged for definitive Certificates, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. In addition, in the event that a Global Certificate is exchanged for definitive Certificates, announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Certificates, including details of the Singapore agent.
Trustee	The Bank of New York Mellon.

Agent	Principal Paying Agent, Paying Agent, Registrars and Transfer Agents.
Principal Paying Agent	The Bank of New York Mellon, London Branch.
Paying Agent	The Bank of New York Mellon with respect to Notes held through DTC.
Registrars	The Bank of New York Mellon with respect to Notes held through DTC and The Bank of New York Mellon SA/NV, Luxembourg Branch with respect to Notes held through Euroclear or Clearstream, Luxembourg.
Transfer Agents	The Bank of New York Mellon with respect to Notes held through DTC and The Bank of New York Mellon SA/NV, Luxembourg Branch with respect to Notes held through Euroclear or Clearstream, Luxembourg.
Governing Law	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, the laws of England.
Risk Factors	For a discussion of certain factors that should be considered in evaluating an investment in the Notes, see "*Risk Factors*".
Use of Proceeds	The net proceeds of the issue of the Notes (after deduction of fees, commissions and expenses) are estimated to be approximately U.S.$491.6 million. Subject to compliance with applicable laws and regulations, our Company intends to use the net proceeds of approximately U.S.$414.8 million to refinance existing indebtedness of our Company and/or its Subsidiaries, as permitted under the ECB Guidelines and/or if required, approvals of RBI. We may use any balance of the net proceeds for capital expenditure requirements other general corporate purposes, or to refinance existing indebtedness of our ventures in a jointly controlled entity or our associates, or otherwise as permitted under the ECB Guidelines and/or if required, approvals of RBI.

Pre-issue Trades Settlement	It is expected that delivery of Notes will be made against payment therefor on the Closing Date, which will be more than three business days following the date of pricing. Under Rule 15c6-1 of the Exchange Act, trades in the U.S. secondary market generally are required to settle within T+3 unless the parties to any such trade expressly agree otherwise. Accordingly, since the Closing Date will be more than three business days following the date of pricing, purchasers who wish to trade the Notes in the U.S. between the date of pricing and the date that is three business days prior to the Closing Date will be required, by virtue of the fact that such Notes initially will settle beyond T+3, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries may vary. Purchasers of Notes may be affected by such local settlement practices. Purchasers of Notes who wish to trade Notes between the date of pricing and the date that is three business days prior to the Closing Date should consult their own adviser.	
ISIN	Regulation S Notes:	XS1636266832
	Rule 144A Notes:	US00652MAD48
CUSIP	Rule 144A Notes:	00652M AD4
Common Code	Regulation S Notes:	163626683
	Rule 144A Notes:	163501643

RISK FACTORS

This Offering Circular contains forward-looking statements that involve risks and uncertainties. Prospective investors should carefully consider the risks and uncertainties described below and the information contained elsewhere in this Offering Circular before making an investment in the Notes. In making an investment decision, each investor must rely on its own examination of us and the terms of the offering of the Notes. The risks described below are not the only ones faced by us or investments in India in general. Our business, prospects, financial condition, cash flows and results of operations could be materially adversely affected by any of these risks. There are a number of factors, including those described below, that may adversely affect our Company's ability to make payment on the Notes. The risks described below are not the only ones that may affect the Notes. Additional risks not currently known to us or that we currently deem immaterial may also impair our business, prospects, financial condition, cash flows and results of operations.

Risks Related to Our Business

We face a variety of risks in connection with our reliance on concessions, sub-concessions and licences from government and quasi-governmental organisations. The terms of these agreements include certain events of default, the occurrence of which could adversely affect our business, cash flows and results of operations.

We operate and manage our business under concessions, sub-concessions and licences granted by the relevant government agencies and concessionaires. We have entered into several concession and sub-concession agreements for the development, operation, maintenance and the use of the facilities at Mundra Port, Dahej Port, Hazira Port, Murmugao Port, Vizag Port, Kandla Port, Dhamra Port, Vizhinjam Port and Ennore Port. The terms of these agreements include events of default, the occurrence of any of which entitles the relevant counterparties to take certain actions, including terminating such agreements. These events of defaults include:

- our failure, omission, neglect or negligence in complying with or performing any duties or obligations under the agreements, including the following:
    - o incurring certain capital expenditures and providing ongoing services when in breach and penalty provisions for such breaches;
    - o providing the right to exclusive use of our facilities for the respective counterparties, including particular vessel berths and moorings and container terminals; and
    - o providing the right of first refusal for the usage of the additional capacity if we further expand or develop the facility.
- our failure to carry out the construction and implementation of the ports as specified in the respective detailed project report;
- our material breach of operations and maintenance requirements;
- our failure to make any required payment for the specified periods;
- our assignment of our rights, title and interest in the respective agreements without the prior written consent of the counterparties;

- our failure to maintain and repair assets of the port, as required;

- our use of the ports for purposes other than those allowed in the respective agreements without the prior written consent of the counterparties;

- our failure to achieve certain performance parameters, as indicated in the respective agreements;

- our creation of any encumbrance, charge or lien not otherwise permitted by the relevant agreements; and

- any reduction in shareholding of the Promoters below the limit specified in the relevant agreements.

The termination or suspension of an agreement as a result of the occurrence of an event of default, or otherwise, requires us to cease our operations at the relevant port and hand over possession of the facilities to the relevant counterparty. In addition, as a result of such event of default, the relevant government agencies and concessionaires have a right to step in. Further, our Company may, as part of its strategy, focus on operating ports and terminals which are readily accessible by large vessels, or may undertake other strategies, which may result in not meeting the performance requirements stipulated under the concession agreement.

As a result of the occurrence of an event of default we would be required to terminate all contracts entered into with third parties in relation to the relevant port facilities and transfer all of our rights, titles and interests in all contracts, licences, permits and insurance policies to the relevant counterparty in the agreement. Upon the termination of the agreement, we would generally have the option to either remove the movable assets we owned on terms as set out in the respective agreements or to transfer such assets to the relevant counterparty. Additionally, we are responsible for all defects and deficiencies in the ports for specified periods after termination and have the obligation to repair, at our own cost, all reasonable defects and deficiencies observed by an independent engineer or to reimburse the counterparty for repairs that it performs during such period. Cancellation, early termination or non-renewal of any such concession, sub-concession agreements or licences or imposition of any further limitations could have an adverse effect on our ability to operate and manage our business and may have an adverse effect on our business, cash flows and results of operations. Further, we have not yet entered into certain supplemental agreements as stipulated in the regulatory approvals received for specified expansion undertaken at Mundra Port.

Further, we cannot assure you that we will be able to renew these concessions, sub-concessions or licences when they expire or, if renewed, that the terms of such renewed concessions, sub-concessions or licences would be on terms as favourable to us. Any of these contractual provisions could reduce our revenues, hinder our ability to compete in the market, any of which in turn could have an adverse effect on our business, cash flows and results of operations.

Separately, we understand from certain news reports that the Comptroller and Auditor General of India has tabled a report before the Kerala state assembly in relation to the tenure of a government concession agreement with Adani Vizhinjam Port Private Limited. We are not in receipt of and we do not have access to any such report or communication in relation thereto and accordingly, we are unable to assess the impact or risk involved, if any, in relation to such a report.

We rely on a small number of customers and partners for a large proportion of our income.

We currently derive, and believe that we will continue to derive, a substantial portion of our income from a small number of customers, including power plants, commodity traders, leading state-owned petroleum refineries, Government-owned POL distribution companies, automobile manufacturers, shipping lines and container service providers. We expect that a significant portion of our income will continue to be attributable to a limited number of customers in the immediate future

Certain of our significant customer agreements allow our customers to terminate such contracts unilaterally. In addition, our significant customers may demand price reductions and value-added services for no additional charge, which could reduce our profitability. Any significant reduction in or the elimination of the use of the services that we provide to any of our customers, or any requirement to reduce our prices, could adversely affect our profitability. In addition, adverse developments affecting our significant customers, such as bankruptcy, change of management, mergers and acquisitions, could also adversely affect our business.

The loss of, or significant decreases in the volumes from, or any adverse development concerning, our significant customers could have an adverse effect on our business, cash flows and results of operations.

If the transactions contemplated by the share purchase agreements with APPHPL are not completed due to the non-receipt of the consent from one of the lenders of MPPL, as anticipated, or at all, our results of operations and financial condition could be adversely affected. In addition, if the guarantee provided by our Company to the lender of MPPL is invoked, our financial condition would be adversely affected.

On 30 March 2013, our Company entered into two share purchase agreements to sell our Company's entire equity shareholding in Adani Abbot Point Terminal Holdings Pty Limited ("**AAPTHPL**") and our Company's entire preference shareholding in Mundra Port Pty Ltd ("**MPPL**") to Abbot Point Port Holdings Pte Ltd ("**APPHPL**"), Singapore, for an aggregate consideration of Rs. 13,347.0 million as recorded in our books, with our Company continuing to own all of the outstanding common equity shares of MPPL. As required under the terms of the share purchase agreements, regulatory approvals and approvals from lenders were obtained except for approval from one of the lenders who has extended a line of credit to MPPL. Our Company's application for a consent from such lender for the transfer of the preference shares of MPPL and the equity shares of AAPTHPL is pending. The parties have since mutually extended the share purchase agreements pending the approval from such lender until 31 March 2018. Despite the pending approval, we and APPHPL, Singapore agreed that the operations, risks and rewards with respect to the businesses of AAPTHPL and MPPL were transferred to APPHPL, Singapore with effect from 31 March 2013. Our Company has received the entire sales consideration except AUD 17.17 million, which is due to be paid within stipulated timelines in accordance with applicable laws.

Our Company has extended a corporate guarantee of U.S.$800 million as at 31 March 2017 against a line of credit to MPPL and has pledged all of its preference shares in MPPL in favour of the lender. The outstanding loan amount against this guarantee was U.S.$453 million as at 31 March 2017. Our Company received an indemnity from APPHPL against this guarantee. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Related Party Transactions*".

If the sale of equity shares of AAPTHPL or preference shares of MPPL does not complete as expected due to our inability to obtain the approval of the lender of MPPL or otherwise, we will be required to make adjustments to our results of operations with respect to the gain on sale of discontinued operations and recorded consideration of the sale price in our statement of profit and loss for Fiscal Year 2013. We may also be required to make adjustments on account of the assets and liabilities of AAPTHPL and MPPL, either of which may materially and adversely affect our results of operations and financial condition. Moreover, our Company may be required to make payments for any default by MPPL of its obligations to the lender pursuant to our Company's guarantee, which could also adversely affect our results of operations and financial condition.

Our senior management team and other key personnel in our business units are critical to our continued success and the loss of, or the inability to attract and retain, such personnel in the future could adversely affect our business, cash flows and results of operations.

Our future success substantially depends on the continued service and performance of the members of our senior management team and other key personnel in our business for the management and running of our daily operations and the planning and execution of our business strategy.

There is intense competition for experienced senior management and other key personnel with technical and industry expertise in the port business and, if we lose the services of any of our senior management and other key personnel or other key individuals and are unable to find suitable replacements in a timely manner, our ability to realise our strategic objectives could be impaired. The loss of key members of our senior management or other key team members, particularly to competitors, could have an adverse effect on our business, cash flows and results of operations.

Our performance also depends on our ability to attract and train highly skilled personnel. We are subject to laws and regulations governing relationships with employees, in areas such as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Any shortage of skilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business, cash flows and results of operations.

The nature of the contracts we have with certain of our customers contain inherent risks such as a fixed-price clause for payments to us and certain rights for the counterparties, which, if exercised, could result in an adverse effect on our business, cash flows and results of operations.

We have entered into long-term contractual arrangements with some of our customers, including our long-term agreement for the operation of container services at Mundra Port and other operating ports and terminals, our agreements relating to the railway links and cargo services to and from Mundra Port and other port service agreements. We earn income from such customers comprising payments for services or royalties, which are generally based on a percentage of the revenues generated and the lease rent payable to us.

The commercial terms of such long-term agreements typically include fixed pricing based on number of units of cargo handled with limited CPI-based escalation clauses, thus exposing us to the risk that our actual expenses with respect to performance of the services under the terms of the engagement could be higher than we estimated at the time of entering into the contract. Our failure to estimate accurately the resources and time required for such contracts, future wage increases or currency fluctuations or failure to complete our contractual obligations may have an adverse effect on our business, cash flows and results of operations.

Further, pursuant to our obligations under such agreements, we have incurred, and may continue to incur, significant capital expenditures for the development of infrastructure and facilities. We may not be able to generate revenues commensurate to the capital expenditure incurred under these agreements. In addition, certain of our agreements with these customers contain preferential utilisation clauses under which we are required to keep our capacities free for utilisation by such customers. If such free capacities are not utilised by these customers, we will lose revenue that we could have earned from making these capacities available to other customers. Any decrease in revenues from the customers with whom we have such long-term agreements may have an adverse effect on our business, cash flows and results of operations.

Although some of these customers have committed to provide us with a minimum volume of work and fees, there is no exclusive arrangement where such customers would be required to use only our facilities for additional cargo and other services beyond the minimum guaranteed volume.

We have a substantial amount of outstanding borrowings, which requires significant cash flows to service, and limits our ability to operate freely.

As at 31 March 2017, our total borrowings (indebtedness (excluding corporate guarantees)) outstanding was Rs. 222,142.6 million on a consolidated basis. The total borrowings (indebtedness) as at 31 March 2017 consisted of long-term borrowings, current maturities of long-term borrowings, short term borrowings and customers' bills discounted. The borrowings include rupee loans, foreign currency loans, bonds, notes, debentures and liability component of preference shares. For further details of our debt, see "*Description of Material Indebtedness*". We intend to finance the majority of the cost of our planned capital expenditures/acquisition through debt and therefore expect to incur substantial additional borrowings in the future. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. Increasing our level of indebtedness also has important consequences to us such as:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- limiting our ability to borrow additional funds; and
- increasing our interest expenditure, since a substantial portion of our debt bears interest at floating rates.

We cannot assure you that we will generate sufficient cash to service existing or proposed borrowings or fund other liquidity needs, which could have an adverse effect on our business, cash flows and results of operations.

Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements, could adversely affect our business, cash flows and results of operations. Any breach of the terms under our financing arrangements could trigger cross-acceleration under our other financing arrangements, leading to termination of one or more of our financing arrangements.

Our financing agreements contain certain restrictive covenants and events of default that limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial condition. Such covenants include restrictions on:

- creation of security over existing and future assets of our port facilities;
- incurrence of additional indebtedness or undertaking any guarantee obligations;
- making certain restricted payments;
- prepaying any indebtedness prior to its maturity date;
- investing in equity interests or purchasing assets, other than in ordinary course of our business, unless certain conditions are satisfied;
- sale or other disposition of assets;
- restrictions on material alteration in the capital structure, management or constitution of our Company;
- change or expansion in scope of business;
- entering into certain corporate transactions such as reorganisations, amalgamations and mergers; and
- pledges over the shares of our Subsidiaries for financing of specific projects.

These agreements also require us to maintain certain financial ratios such as debt-equity ratio and debt service coverage ratio. Our future borrowings may also contain similar restrictive provisions. Further, in terms of certain financing agreements, our Company is required to obtain consents from lenders for certain actions, including, among others, effecting any changes in the capital structure or shareholding pattern.

If we fail to meet our debt service obligations or covenants (or receive approvals from our lenders to undertake certain transactions, including the demerger as mentioned above) provided under the financing agreements, the relevant lenders could declare us to be in default under the terms of our agreements, accelerate the maturity of our obligations or take over the financed project or other security made available to the lenders. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay borrowings.

Furthermore, certain of our financing arrangements may contain cross-acceleration provisions which could automatically trigger defaults under other financing arrangements. We may be forced to sell some or all of our assets if we do not have sufficient cash or credit facilities to make repayments.

Additionally, because some of our borrowings are secured against all or a portion of our assets, lenders may be able to sell those assets to enforce their claims for repayment. Our failure to meet our obligations under the debt financing agreements could have an adverse effect on our business, cash flows and results of operations.

We may be adversely affected by increases and changes in royalties and fees payable by us.

Our concession and sub-concession agreements and licences require us to pay royalties and fees for the use of facilities at locations where our ports our situated. Pursuant to our concession agreement for Mundra Port and our sub-concession agreements for the terminals at Dahej and Hazira, we are required to pay concessional waterfront royalties on the cargo handled on a per tonne basis of cargo handled. We made an application dated 12 March 2013 regarding determination of waterfront royalty rates for the terminal at Hazira. Since the application is under review, we are currently paying the waterfront royalty rate that we have committed under the application. The concerned authorities may declare a different rate for waterfront royalty which if higher will require us to pay the difference.

Under the terms of Mundra Port concession agreement, we have a capital set-off option, which allows us to deduct our capital expenditures from the royalties payable by us for a period of 10 years from the date of commercial operation. We are required to pay the full waterfront royalties after we have set off all the capital expenditures against payment of such royalties. Further, Mundra Port has undergone several expansions, and there is a risk that the authorities may require our Company to pay full waterfront royalty for such subsequent expansions from the date of operation. In addition, these concession and sub-concession agreements also have certain escalation clauses in respect of royalties payable by us. An increase in the royalties or fees payable by us could have an adverse effect on our business and results of operations.

We are currently taking advantage of certain benefits and exemptions in relation to the Mundra SEZ under the Income Tax Act which are subject to the policies and decisions of the income tax authorities.

We have received several notifications, from time to time, from the Government of India with respect to the establishment of the Mundra SEZ and the surrounding areas. For Fiscal Years 2008 to 2011, we took advantage of the tax incentives under section 80 IAB of the Income Tax Act provided to developers of SEZ and, therefore, we were not required to make the payment of MAT in those Fiscal Years. However, with the amendment to sections 115JB and 115O of the Income Tax Act, we are paying MAT and dividend distribution tax and are continuing to claim benefits of tax incentives under section 80 IAB of the Income Tax Act with effect from 1 April 2011. We believe that we are entitled to the tax benefits under section 80 IAB of the Income Tax Act on the entire income of our Company. The Central Board of Direct Taxes could have a contrary view in terms of the availability of tax benefits to our Company in respect of certain forms of income. Any ruling by the tax authorities to the contrary could have an adverse effect on our business, cash flows and results of operations.

Further, the tax incentives that we took advantage of are available only for a continuous period of 10 years in a block of 15 years from commencement of revenue recognition and expired in Fiscal Year 2017. There can be no assurance that our Company will be entitled to similar or other tax incentives in the future. When such tax incentives expire, our Company's tax expense could materially increase, thereby reducing our profitability.

Further, the tax incentives referred to above are available only for a continuous period of 10 years in a block of 15 years from commencement of revenue recognition. While the aforesaid tax advantage for our Company expired in Fiscal Year 2017, some of our Subsidiaries will continue to receive this

tax advantage. Additionally, our Company has continuously paid MAT and hence, is eligible for MAT credit for the coming years. Therefore, there may not be a material increase in the tax liability until such time our Company is able set off its tax liability against available MAT credit. However, there can be no assurance that our Company or the Group will be entitled to similar or other tax incentives in the future. When such tax incentives expire for all of our Subsidiaries, our Company's tax expense on a consolidated basis could materially increase, thereby reducing our profitability.

Our investments in developing additional services, facilities and sources of income for our port business may not be successful.

We continue to make investments in additional services and facilities in order to further diversify and grow our operating income. We believe that continued expansion is essential for us to remain competitive and to capitalise on the growth potential of our industry.

Our current expansion plans include developing:

- incremental bulk cargo handling facilities at Dhamra Port;
- Container Terminal 3 extension at Mundra Port;
- a liquefied natural gas ("**LNG**") terminal at Mundra Port; and
- a container terminal at Vizhinjam Port.

Our future expansion plans will involve significant capital expenditures and operational and management resources. However, we may not be successful in expanding our services and diversifying our income which could have an adverse effect on our business, cash flows and results of operations. We may not be successful in implementing these expansion plans and there could be significant delays, disruptions or cost overruns which could have an adverse effect on our business and financial condition. In general, the success of these and other projects is dependent on a variety of factors, including the timely completion of the project, the ability to complete the development of the project without cost overruns and the demand for our services once the project is operational. In addition, the concession agreements for these developments contain liquidated damages provisions which require us to pay damages for each day of delay in completing the project from the scheduled completion date.

We are often required to enter into binding contracts with potential partners and customers to complete such projects and provide such services. We may not be able to negotiate such contracts on terms favourable to us, or at all or complete the development of the project within the time anticipated, or at all. Any resulting delay or failure to complete a project or deliver additional services may adversely affect our competitiveness and our business, cash flows and results of operations.

Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business, cash flows and results of operations.

We have experienced considerable growth in recent years, and we have significantly expanded our operations and services. We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to expand further or diversify our business further.

Our inability to manage our expansion effectively and execute our growth strategy could have an adverse effect on our business, cash flows and results of operations. We intend to continue expansion to pursue existing and potential market opportunities. Our future prospects will depend on our ability

to grow our business and operations in India further. The development of such future business could be adversely affected by many factors, including general political and economic conditions in India, government policies or strategies in respect of specific industries, prevailing interest rates, price of equipment and construction materials, fuel supply and currency exchange rates.

Our current and future expansion plans required for future growth may require significant capital. If we are unable to raise additional capital, our business prospects could be adversely affected.

We operate in a capital intensive industry, which requires substantial levels of funding. For example, we are currently developing a container terminal at Vizhinjam, which requires significant capital expenditure. We intend to fund these development plans through borrowings, our cash on hand and cash flow from operations. We will continue to incur significant expenditure in maintaining and growing our existing ports, their respective facilities and infrastructure. We expect our long-term capital requirements to increase to fund our intended growth.

We cannot assure you that we will have sufficient capital resources for these new expansion plans or any future expansion plans that we may have. While we expect our cash on hand, cash flow from operations and available borrowings under our credit facilities to be adequate to fund our existing commitments, our ability to pay these amounts is dependent upon the success of our operations. Additionally, the inability to obtain sufficient financing or the inability of one or more of our financiers to provide committed funding could adversely affect our ability to complete expansion plans. Moreover, we cannot assure you that market conditions and other factors would permit us to obtain future financing on terms acceptable to us, or at all. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any downgrade in our credit ratings could increase our borrowing costs and adversely affect our access to capital. Further, if we decide to raise additional funds through the issuance of equity or equity-linked instruments, the interests of our shareholders may be diluted. If we decide to meet our capital requirements through debt financing, our interest obligations will increase and we may be subject to additional restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business prospects could be adversely affected.

We may enter into future acquisitions, the financing of which may adversely affect our liquidity and financial condition, and the unsuccessful integration of which could result in operating difficulties and adversely affect our business, cash flows and results of operations.

We explore opportunities to expand inorganically, and may enter into agreements to provide port and related services, or acquire facilities at new ports in the near future. The identification of suitable acquisition candidates can be difficult, time-consuming and costly.

Any acquisitions could result in, among other things, potentially dilutive issuances of our equity securities, the incurrence of debt and contingent liabilities, any of which could adversely affect our liquidity and financial condition. In addition, the process of integrating an acquired company or facilities is risky and may create unforeseen operating difficulties and expenditures, including:

- difficulties in integrating the operations, technologies, services and personnel of acquired businesses;

- additional financing required to make contingent payments;

- unavailability of favourable future financing;
- potential loss of key employees of acquired businesses and cultural challenges associated with integrating employees from the acquired company into our organisation;
- inability to maintain the key business relationships and the reputations of acquired businesses;
- responsibility for liabilities of acquired businesses;
- diversion of management's attention from other business concerns;
- an inability to maintain our standards, controls, procedures and policies, which could affect our ability to assess the effectiveness of our internal control structure and procedures for financial reporting; and
- increased fixed costs.

Additionally, the anticipated benefits of our future acquisitions may not materialise. If we are unsuccessful in smoothly integrating an acquired company or facilities, our business, cash flows and results of operations may be adversely affected.

Our port services and other operations are subject to operational risks such as breakdown of equipment, accidents, labour disputes and natural disasters. If any of these risks were to materialise, our business, cash flows and results of operations could be adversely affected.

The operation of our port services, comprising handling of bulk goods, container handling, warehousing, customs inspection and other operations may be adversely affected by many factors, such as the breakdown of equipment, accidents, labour disputes, natural disasters, increasing government regulations, lack of qualified equipment operators and a downturn in the overall performance of the container and shipping industry.

Further, our business requires individuals to work with potentially hazardous materials, which may be volatile and often highly flammable. If improperly handled or subjected to unsuitable conditions, such materials could impact the operations at our ports. This could lead to disruptions in our business and expose us to legal and regulatory costs and liabilities, which could adversely affect results of operations and reputation.

In addition, our business relies on a number of third parties involved in activities such as stevedoring, handling of liquid cargo, hiring of equipment and vehicles, survey of ships, supply of water and provision of transportation and evacuation services from our ports and contract labour. The failure or inability of these parties to provide the required services efficiently, or at all, could disrupt our operations and, thus, have an adverse effect on our business, cash flows and results of operations.

We face risks related to our joint ventures and certain key strategic arrangements such as non-cooperation or non-compliance, or financial difficulties faced, by our partners. If any of these risks were to materialise, our business cash flows and results of operations could be adversely affected.

Certain of our operations are conducted through joint ventures and strategic arrangements. Cooperation among our joint venture and others partners on existing or future projects is an important factor for the smooth operation and financial success of such projects. Our joint ventures and strategic

arrangements may involve risks associated with the possibility that any joint venture or other partner may (i) have economic or business interests or goals that are inconsistent with ours, (ii) be unable or unwilling to fulfil their obligations under the relevant joint venture or other agreements, or (iii) experience financial or other difficulties. Further, we may not have majority control of our joint ventures or otherwise be able to control the decision-making process of our joint ventures. We do, however, through contractual provisions or representatives appointed by us, typically have the ability to influence certain material decisions. No assurance can be given that disputes will not arise in the future and that such disputes will not result in an adverse effect on our business, cash flows and results of operations.

Our plans for developing a multi-product SEZ are subject to various contingencies, uncertainties and competition, which may adversely affect our business prospects.

We have received an approval from the Government of India permitting us to establish a multi-product SEZ in an area measuring 8,481.28 hectares (including 168 hectares that are sector specific) covering Mundra Port and the surrounding areas. SEZ development results in several fiscal incentives and other benefits for SEZ developers and their customers, including exemptions from income tax and duties. The policy of the Government of India or the state governments with respect to the regulation of SEZs, including the norms for land development and usage, compensation payable for land holdings and the fiscal incentives available to SEZs, may change. Such changes in policies or regulatory frameworks may result in delays with respect to SEZs, thereby, adversely affecting our SEZ development plans.

Further, SEZ projects usually involve a long development period and are subject to a variety of risks, which are not within our control. These include construction delays, unanticipated cost increases and changes in the regulatory and business environment, which may adversely affect our business, cash flows and results of operations.

A large number of SEZs have been approved since the SEZ Act was enacted. This is likely to result in increased competition among different SEZs to attract manufacturing and industrial units. Any inability on our part to compete with the other SEZs in terms of quality infrastructure and other incentives to attract potential customers may adversely affect our proposed SEZ plans.

If the strategic acquisition of the port business at Kattupalli Port is not completed as anticipated, or at all, our results of operations and financial condition could be adversely affected.

On 9 November 2015, our Company, through our wholly-owned Subsidiary AKPL, entered into an in-principle agreement for the strategic acquisition of the port business at Kattupalli Port of L&T Shipbuilding Limited, a subsidiary of Larsen & Toubro Limited (the "**Implementation Agreement**"). Kattupalli Port is a Non-major port situated at Kattupalli village, Ponneri Taluk, Tiruvallur, Tamil Nadu. While we have received approvals from the NCLT, Chennai and the Tamil Nadu Maritime Board ("**TNMB**") for the resultant business structuring of L&T Shipbuilding Limited, the acquisition remains subject to, among other things, completion of the conditions stipulated in the Implementation Agreement. The expiry date of the Implementation Agreement has been extended until 30 June 2017, and it is further extendable by mutual consent in accordance with the terms of the Implementation Agreement.

While awaiting completion of these conditions, AKPL was appointed as the interim operator of Kattupalli Port under the Implementation Agreement and will remain interim operator until the completion of the acquisition under the Implementation Agreement, and accordingly, certain

provisions of the licensing agreement executed between L&T Shipbuilding Limited and TNMB are applicable to AKPL and all provisions of the licensing agreement will be applicable to AKPL upon completion of the acquisition. The port has permission to handle multi-user specific and multi-commercial cargoes on a build-own-operate-and-share basis.

Failure to acquire the port business at Kattupalli Port pursuant to the contemplated transaction with L&T Shipbuilding Limited and/or a failure to fulfill any conditions precedent for completion of the acquisition (including failure to fulfill the conditions stipulated in the approval received from TNMB) may affect our ability to own or operate Kattupalli Port, which may have an adverse effect on our results of operations and financial condition.

The consent to operate received by L&T Shipbuilding Limited under the Water (Prevention and Control of Pollution) Act, 1974 ("**Water CTO**") requires certain conditions to be fulfilled in relation to the demerger, including AKPL being required to obtain a fresh consent to operate in its name. The Water CTO requires some of the conditions stipulated thereunder to be fulfilled by 30 September 2017. Failure to complete the acquisition of Kattupalli Port within the timelines indicated in the Water CTO may result in a breach of conditions specified therein and/or cancellation of the consent to operate, and there can be no assurance that the relevant authority will issue an approval within any timeframe that may be anticipated by us or at all.

Our business and facilities may be adversely affected by severe weather conditions and natural disasters.

Severe weather conditions, resulting in conditions such as dense fog, low visibility, heavy rains, wind and waves, may force us to temporarily suspend operations at our ports. In some cases, we may temporarily suspend operations based on warnings from local and national meteorological departments. If weather conditions of any type were to force our ports to close for an extended period of time, our business may be adversely affected. In addition, any weather condition, including but not limited to severe monsoons and flooding, that affects ports that serve as starting points or final destinations for shipping lines could harm our business.

Our operational facilities may be damaged in natural disasters such as earthquakes, tsunamis, tornados, hurricanes and cyclones. Such natural disasters in India, or in Southeast Asia, may lead to a disruption of transportation networks, information systems and telephone service for sustained periods of time. Damage or destruction that interrupts our business operations may cause us to incur substantial additional expenses to repair or replace damaged facilities or equipment. We may also be liable to our customers for disruption in our operations resulting from such damage or destruction. While we currently have commercial liability insurance, our insurance coverage may not be sufficient. Furthermore, we may not be able to secure any additional insurance coverage, or at premiums acceptable to us. Prolonged disruption of our operations as a result of natural disasters would also entitle our customers to terminate their contracts with us, which may have an adverse effect on our business, cash flows and results of operations.

Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.

Our business is dependent on technology (see "*Our Business — Information Technology and Computer Systems*"). To maintain the competitiveness of our business, we need to keep pace with technological developments and changing standards. If we are unable to adequately respond to the technological

changes and the technologies currently employed by us become obsolete, our business, financial condition, cash flow and results of operations may be materially and adversely affected. In addition, the cost of implementing new technologies and upgrading our facilities to keep pace with technological developments may be significant and may adversely affect our results of operations.

Upgrading or renovation works or physical damage to our port terminals may disrupt our operations.

Our ports and terminals may need to undergo upgrading or renovation works from time to time to retain their competitiveness and may also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. Our ports and terminals may suffer some disruptions and it may not be possible to continue operations on areas affected by such upgrading or renovation works. In addition, physical damage to our terminals resulting from fire, severe weather or other causes may lead to a significant disruption to business and operations and, together with the foregoing, may result in unforeseen costs which may have an adverse effect on our business, cash flows and results of operations.

We rely on security procedures carried out at other port facilities or by our customers, which are outside our control.

We inspect the physical condition of cargo that enters our ports in accordance with our own practice and the inspection procedures prescribed by, and under the authority of, the relevant regulations. We also rely on the security procedures carried out by our customers or the port facilities that cargo, especially containers, have previously passed through to supplement our own inspection to varying degrees.

However, there can be no assurance that the cargo that passes through or received at our ports will not be adversely affected by breaches in security or acts of terrorism, either directly or indirectly, in other areas of the supply chain, which would have an adverse effect on our operations. A security breach or act of terrorism that occurs at one or more of the facilities, or at another port facility that has handled cargo prior to the cargo arriving at our port facilities, could subject us to significant liability, including the risk of litigation and loss of goodwill.

Claims made against us, our directors and/or other Adani Group companies from time to time can result in litigation or regulatory proceedings which could result in liability or harm our reputation.

From time to time, we and/or our directors and management are involved in litigation, claims and other proceedings relating to the conduct of our business, including environmental claims, non-compliance with provisions of our various licences, tax disputes (see "*Legal Proceedings — Tax Proceedings*"), and proceedings involving the securities dealings of our directors. Any claims could result in litigation against us and could also result in regulatory proceedings being brought against us by various Government and state agencies that regulate our business, including the MoEF, the Ministry of Commerce, Directorate of Revenue Intelligence, the Ministry of Home Affairs and SEBI. Often these cases raise complex factual and legal issues, which are subject to risks and uncertainties and which could require significant time from our directors and/or our management. Litigation and other claims and regulatory proceedings against us or our management could result in unexpected expenses and liability and could also materially adversely affect our operations and our reputation.

For example, the NGT, Pune in its order dated 8 January 2016 set aside the environmental clearance dated 3 May 2013 of Adani Hazira and imposed a deposit of Rs. 250 million and costs of Rs. 0.2 million. On 14 January 2016, Adani Hazira filed an appeal before the Supreme Court of India

challenging this order. By way of an interim order dated 28 January 2016, the Supreme Court of India directed Adani Hazira to pay the deposit of Rs. 250 million along with relevant costs. While Adani Hazira has complied with the interim order, the Supreme Court of India has yet to pass a final order and the matter is currently pending. However, we cannot assure you that the NGT will not require a fresh environmental clearance for Hazira Port and this could have an impact on our Company's development and expansion plans in relation to Hazira Port, which could adversely affect operations at Hazira Port.

In addition, other Adani Group companies from time to time are involved in litigation, claims and other proceedings relating to the conduct of their businesses, including environmental claims, proceedings relating to abuse of market position, tax disputes and proceedings involving securities dealings by other Adani Group companies and/or their directors. Any claims could result in litigation and/or regulatory proceedings against the Adani Group, which could harm our reputation as a member of the Adani Group and ultimately materially adversely affect our operations.

Any disruption to the steady and regular supply of labour for our port operations or our inability to control the composition and cost of our labour force could adversely affect our business, cash flows and results of operations.

We had 2,153 full time employees as at 31 March 2017. We also use contract workers for discrete assignments. Although we maintain cordial relations with these employees, there can be no assurance that our cordial relations will continue in the future. We cannot assure you that we will not experience disruptions in our operations due to disputes or other problems with our workforce, which may adversely affect our business, cash flows and results of operations.

Although we engage contract labourers only for discrete assignments, it is possible under Indian law that we may be held responsible for wage payments to labourers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments may adversely affect our results of operations. Furthermore, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, we may be required to absorb a portion of such contract labourers as our employees. Any such order from a court or any other regulatory authority may adversely affect our business, cash flows and results of operations.

Further, work stoppages or slowdowns experienced by us could result in slowdowns or closures of our ports which could have an adverse effect on our business, cash flows and results of operations.

Our operations are subject to extensive environmental and other related regulations and policies.

Our business and operations are subject to various environmental risks such as oil spills and disposal of hazardous waste and chemicals. We, like other port operators and manufacturers in India, are subject to various central, state and local environmental, health and safety laws and regulations concerning issues such as damage caused by air emissions, wastewater discharges, solid and hazardous waste handling and disposal. These laws, rules and regulations also prescribe the punishments for any violations. While we believe that our facilities are in compliance in all material respects with applicable environmental laws and regulations and we have obtained the requisite permissions and clearances in this regard, we may incur additional costs and liabilities in relation to compliance with these laws and regulations or any remedial measures in relation thereto. For instance, the MoEF passed an order on 30 September 2015, directing us to take various environmental measures with respect to port facilities at Mundra. For further details, see "*Legal Proceedings*". These additional costs and liabilities could be on account of penalties, fines, remedial measures and clean-up liabilities or due to compliance with more onerous laws, regulations or directions, and could have an adverse effect on

our business, financial condition, cash flow and results of operations. For example, with respect to the Mundra port, we are currently operating under a provisional consent issued by the Gujarat Pollution Control Board ("**GPCB**") under relevant environmental laws which allows us to operate the port until 2021. We have not received the final consent.

Additionally, we are currently involved in disputes involving breach of environmental regulations, including disputes relating to our port operations, which are pending in various courts in India, such as the environmental clearance matter involving Adani Hazira pending before the Supreme Court of India. For details in relation to our material environmental disputes, see "*Legal Proceedings*". If any of these disputes is decided against us, we may be subject to fines and other penalties, including suspension of our operations, cancellation of our approvals and undertaking remedial procedures. Any such additional costs or liabilities could have an adverse effect on our business, financial condition, cash flow and results of operations.

Moreover, the laws and regulations under which we operate are subject to change and any change to these laws and regulations could adversely affect our business, cash flows and results of operations. For example, the Government of India has prepared the Indian Ports Bill to consolidate the Indian Ports Act and the Major Ports Act into a single piece of legislation that would be applicable to Major Ports as well as Non-major Ports, whether public or private. The Indian Ports Bill contains enhanced penalties and fines compared to those specified in the Indian Ports Act. If the Indian Ports Bill is enacted and we are found to be in violation of the provisions of the enacted legislation, certain penalties or terms of imprisonment may be imposed thereunder, which could adversely affect our business, cash flows and results of operations

In addition, the Major Port Authorities Bill, 2016 seeks to replace the Major Ports Act, 1963 and proposes to create a "Board of Port Authority" that will be empowered to determine port tariffs for major ports, including services offered by the private sector companies at such major ports. Currently, the major port tariff is fixed by the Tariff Authority for Major Ports ("**TAMP**"). The Board of Port Authority would be empowered to set tariff rates for services in major ports that are significantly different from the prevailing guidelines issued by TAMP, which may adversely affect our business, cash flows and results of operations.

Land-related disputes could adversely affect our expansion and development plans.

We are involved in certain land-related disputes which are pending in various courts in India including disputes in relation to allotment of land to us for the Mundra SEZ and Dhamra Port. For further details in relation to our material land disputes, see "*Legal Proceedings— Civil Cases*". If any of these disputes are decided against us, we could face difficulties in pursuing our expansion plans and development activities which could have an adverse effect on our business, cash flows and results of operations.

We may not have adequate insurance to cover all losses we may incur in our business operations or otherwise.

Operations in our port business, and specifically the cargo handling operations, carry inherent risks of personal injury and loss of life, damage to or destruction of property, plant and equipment and damage to the environment, and are subject to risks such as fire, theft, flood, earthquakes and terrorism. We maintain insurance coverage in such amounts and against such risks which we believe are in accordance with industry practice. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our operations, including when the loss suffered is not easily quantifiable and in the event of severe damage to our reputation.

In addition, we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our reputation, business and results of operations. Further, failure to maintain adequate insurance can also trigger a breach of the relevant concession or sub-concession agreements which could impact our ability to operate. Additionally, as at 31 March 2017, we have pending claims amounting to Rs. 161.43 million in respect of insurance policies. We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully or on time. Any payments we make to cover any losses, damages or liabilities or any delays we experience in receiving appropriate payments from our insurers could have an adverse effect on our business, financial condition, cash flows and results of operations.

We operate in a competitive environment and, if we are not able to compete effectively, our business, cash flows and results of operations may be adversely affected.

We compete primarily against Non-major Ports and Major Ports that cater to the hinterlands of north, west and central India. Competition is based primarily on the characteristics and location of the ports, including capacity, congestion, ability to berth large vessels, proximity and connectivity to inland cargo centres and refineries. Some of these ports have significant financial resources, marketing and other capabilities. In India, some domestic competitors may have extensive local knowledge and business relationships and a longer operational track record in selected areas of the domestic market than us. Some of our international competitors may be able to capitalise on their overseas experience to compete in the Indian market. As a result, there can be no assurance that we will be able to compete successfully in the future against our existing or potential competitors or that the business and results of operations will not be adversely affected by increased competition.

Competition may increase as a result of the development of new ports in India. In addition, port operator companies from other countries that establish operations in India may compete with us, particularly if they are more efficient and have lower costs. Current and future competitors may also introduce new and more competitive port services, make strategic acquisitions or establish cooperative relationships among themselves or with third parties, thereby increasing their ability to address the needs of our target customers. We cannot assure you that we will be able to retain our customers as a result of increased competition. If we lose customers as a result of competition, our market share will decline. If we cannot compete in providing competitive port services or expand into new markets, this could have an adverse effect on our business, cash flows and results of operations.

If our contingent liabilities materialise, our results of operations could be adversely affected.

Our contingent liabilities include various matters pending with certain authorities, including service tax authorities and income tax authorities, civil suits filed by customers, pending export obligations under the Export Promotion Capital Goods ("**EPCG**") scheme; and other claims against our Company not acknowledged as debts. For further details on the nature of our contingent liabilities, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Financial Condition, Liquidity and Capital Resources — Contingent Liabilities*". If these or any other contingent liabilities materialise, our results of operations could be adversely affected.

We have a certain amount of loans to third parties outstanding, the non-payment of which could adversely affect our results of operations.

From time to time, we extend loans on which we receive interest to third parties as a means of investing our unutilised cash. As at 31 March 2017, we had Rs. 17,479.0 million in loans (intercorporate deposits) to third parties outstanding. These intercorporate deposits are unsecured and if borrowers under these intercorporate deposits do not fulfil their obligations as expected, or at all, we will have no access to any security. The non-payment of these intercorporate deposits could adversely affect our results of operations and cash flows.

Our Promoters and members of the Promoter Group own a majority shareholding in us, which allows them to exercise significant influence over us.

Our Promoters and the members of our Promoter Group own approximately 61.3% of our Equity Share capital as of 31 March 2017 and therefore exercise significant influence over our business policies, affairs and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions, joint ventures or the sales of substantially all of our assets and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters and members of the Promoter Group. The interests of our Promoters and members of the Promoter Group may not necessarily be aligned with our interests or the interests of our creditors.

We have material related party transactions and will continue to do so in the future.

We have entered into transactions with other Adani Group companies in the ordinary course of our business. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with third parties. Furthermore, it is likely that we will enter into related party transactions, in the ordinary course of our business, in the future. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our business, cash flows and results of operations.

We do not own the "adani" trademark, name or logo and our ability to use the trademark, name or logo may be impaired.

The "adani" trademark, name and logo do not belong to us. S.B. Adani Family Trust ("**SBAFT**"), a member of our Promoter Group, has applied for the "adani" trademark, which is pending with the trademark registry and has been objected to. We do not have a formal agreement with, or pay, SBAFT for the use of the "adani" trademark, name or logo. If SBAFT withdraws the "adani" trademark or if its application for the "adani" trademark is rejected, we will not be able to use the "adani" trademark, name or logo in connection with our business and, consequently, we may be unable to capitalise on the brand recognition associated with the "adani" trademark.

Further, we cannot assure you that the "adani" trademark, name or logo will not be adversely affected in the future by events such as actions that are beyond our control, including action or inaction of entities using the "adani" trademark, name or logo, regulatory actions against such companies or adverse publicity from any other source. Any damage to this trademark, name or logo, if not immediately and sufficiently remedied, could have an adverse effect on our financial condition, cash flows and results of operations.

If we are unable to obtain required approvals and licences or renewals thereof in a timely manner, our business and operations may be adversely affected.

We require certain approvals (including environmental approvals), licences, registrations and permissions for operating our business, some of which may have expired and for which we may have either made or are in the process of making an application for obtaining the approval. Additionally, we may need to apply for further approvals in the future including renewal of approvals that may expire from time to time. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by us or at all. Further, we cannot assure that the approvals, licences, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Failure by us to renew, maintain or obtain, or any suspension or revocation of, the required permits or approvals at the requisite time may result in the interruption of our operations and may have an adverse effect on our business, financial condition and results of operations.

Third party statistical and financial data in this Offering Circular may be incomplete or unreliable.

Information regarding market position, growth rates and other industry data pertaining to our businesses contained in this Offering Circular consists of estimates based on data reports compiled by professional organisations and analysts, data from other external sources and our knowledge of the markets in which we compete. We have not independently verified data obtained from industry publications and other sources referred to in this Offering Circular and, therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in other industry publications. Therefore, discussions of matters relating to India, its economy and the industries in which we currently operate in this Offering Circular are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analyses and estimates, so we rely on internally developed estimates. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and we cannot assure potential investors as to their accuracy.

Risks Related to India

Our growth is dependent on the factors affecting the Indian economy.

The performance and the growth of our business is dependent on the performance of the Indian economy which, in turn, depends on various factors. The Indian economy has been affected by global economic uncertainties, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture and various other factors. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes upon the Indian economy and, consequently, our business.

Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, have an impact on the growth of the Indian economy, and the Government of India's policy may change in response to such conditions. See "*— Risks Related to India — Financial instability in other countries may cause increased volatility in Indian financial markets.*" While recent Governments of India have been keen on encouraging private participation in the industrial sector, any adverse change in policy could result in a further slowdown of the Indian economy. In addition, these policies will need continued support from stable regulatory regimes that

stimulate and encourage the investment of private capital into industrial development. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively impact interest rates and liquidity, which could adversely impact the Indian economy and our business. Any downturn in the macroeconomic environment in India could materially and adversely affect the market price of the Notes and our business, financial condition, cash flows and results of operations.

The lack of an efficient transportation network and reliable transportation infrastructure in India or inadequacies in the connectivity of our ports to the Indian road and rail network may have an adverse effect on us.

We rely on and benefit from transportation and logistics networks, and the connectivity and conditions of the road, rail and general transportation infrastructure in India. Generally, the investment in, and maintenance of, transportation infrastructure in India has been poor compared to developed countries.

Inadequacies in the transportation infrastructure in India may result in delays in our deliveries or schedules. While the Government of India has announced and implemented several initiatives such as the "python", or long-haul, trains operated by the Indian Railways which can carry up to 90 wagons, to improve the transportation infrastructure in the country, improvement in such infrastructure will involve major capital expenditure and policy and administrative focus. We cannot assure you that the road, rail and general transportation infrastructure will improve to a level or be maintained at such level that would result in improvement in our business or that the planned improvements to such infrastructure will be completed in a timely manner, or at all. Moreover, as we continue to expand our operations, we cannot assure you that our evacuation infrastructure will be able to accommodate an increase in the volume of cargo handled.

We have made, and will continue to make, transportation and infrastructure investments to improve the connectivity of our ports with the inland regions of India. Under our long-term arrangement with the Indian Railways, we have invested in Kutch Railway Corporation Limited for the purpose of upgrading the railway infrastructure connecting Mundra Port to Adipur. We may also make additional investments to make transportation of cargo from Mundra Port to interior parts of India more efficient. Similarly, we have also invested in a special purpose vehicle incorporated to upgrade the existing narrow gauge railway line to broad gauge, from Dahej Port to Bharuch. We also own a 63 kilometre railway line, for better connectivity to evacuate cargo from Dhamra Port. However, our or the Government of India's investments in improving the connectivity between our ports and the inland regions of India may not be successful or be completed in a timely manner, which could have an adverse effect on our business, cash flows and results of operations.

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could have an adverse impact on us. A rapid decrease in reserves would also create a risk of higher interest rates and a consequent slowdown in growth.

India's foreign exchange reserves stood at U.S.$367.93 billion as at 31 March 2017. Flows to foreign exchange reserves can be volatile, and past declines may have adversely affected the valuation of the Indian Rupee. There can be no assurance that India's foreign exchange reserves will not decrease again in the future. Further decline in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Indian Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our business, financial condition and results of operations.

Political instability or significant changes in the economic liberalisation and deregulation policies of the Government of India or in the states where we operate could disrupt our business.

Our Company is incorporated in India and we derive a material portion of our revenue from India. In addition, a significant portion of our assets are located in India. Consequently, the performance and liquidity of the Notes may be adversely affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

The Government of India has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our businesses, and the market price and liquidity of the Notes may be adversely affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India. India has been following a course of economic liberalisation and our businesses could be significantly influenced by economic policies followed by the Government of India, including fiscal and economic policy, industrial policy, direct and indirect taxes and the export-import policy. In particular, changes to the export-import policy could significantly impact the volumes of cargo we handle at our ports. Further, the businesses are also impacted by regulation and conditions in the various states in India where we operate.

However, we cannot assure Noteholders that such policies will continue in the future. Government of India corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalisation and deregulation. The rate of economic liberalisation could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. A significant change in India's economic liberalisation and deregulation policies, in particular, those relating to the business in which we operate, could disrupt business and economic conditions in India generally and our business in particular.

Changing laws, rules and regulations and legal uncertainties may adversely affect our business and financial performance.

Our business and operations are governed by various laws and regulations. Our business and financial performance could be adversely affected by any change in laws or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to the business.

For instance, the Government of India is set to introduce the proposed Goods and Services Tax ("**GST**") regime, with effect from 1 July 2017. GST is expected to subsume most of the indirect taxes such as service tax, value added tax/ central sales tax, entry tax, excise duty, etc., presently levied by the central or state governments, into a unified system of indirect taxation.

In terms of the Central Goods and Services Tax Act, 2017 ("**GST Act**"), a transaction in securities shall not be subject to tax under the GST regime. Under the Integrated GST Act, any supply of goods or services or both to a SEZ developer or an industrial unit operating within a SEZ shall be treated as supplies that are not subject to tax and at par with exports. The Ministry of Commerce of the Government of India is in the process of reviewing the Special Economic Zone policy, in view of aligning it with the proposed GST regime.

Further, the General Anti-Avoidance Rules ("**GAAR**") have come into effect from 1 April 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

Furthermore, the Securities and Exchange Board of India has recently notified the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"). The SEBI LODR Regulations have brought into effect changes to the framework governing listed companies, including the introduction of certain additional requirements such as disclosure of material events or information, and making prior intimations of certain proposals to raise funds. We may face challenges in interpreting and complying with such provisions. Further, to ensure compliance with the requirements of the SEBI LODR Regulations, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

The Government of India has also amended its tax residency rules with effect from 1 April 2017. Previously, a foreign company could be a tax resident of India only if its control and management was situated wholly in India. Under the amended rules, a company will be treated as tax resident of India if (i) it is an Indian company; or (ii) its place of effective management ("**POEM**") is in India. POEM is defined in the Income Tax Act, 1961, to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance, made. The Government of India also issued the final guidelines for determining the POEM of a company on 24 January 2017. The applicability of the amended rules and the treatment of our subsidiaries outside India under such rules is uncertain and may have a material adverse effect on our business, financial condition, cash flows and results of operations.

In November 2016, the Government demonetised Rs. 1,000.00 and Rs. 500.00 denomination currency notes with effect from November 9, 2016 and launched the revised Rs. 500.00 denomination currency notes and introduced the new Rs. 2,000.00 currency notes pursuant to the Ministry of Finance's notification no. S.O. 3407 (E) dated 8 November 2016 and other circulars and clarifications issued thereafter by the Government of India and the RBI. The impact of the demonetisation on India's economic growth, credit demand, credit quality, liquidity and interest rates is uncertain. Although there have been minimal short-term effects on our day-to-day business, the medium-term and long-term effects of demonetisation on our business are uncertain and we cannot accurately predict the effect of the demonetisation on our business, results of operations, financial condition and prospects.

There can be no assurance that the Government of India or state governments will not implement further new regulations and policies, which will require us to obtain approvals and licenses from the Government of India, state government or other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition, cash flows and results of operations.

If regional hostilities, terrorist attacks or social unrest in India increase, our business could be adversely affected and the trading price of the Notes could decrease.

India has from time to time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult, and such tensions

could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and our revenue, operating results and cash flows. The impact of these events on the volatility of global financial markets could increase the volatility of the market price of the Notes.

Natural disasters could have a negative impact on the Indian economy and cause business to suffer.

Natural disasters such as floods, earthquakes or famines have in the past had a negative impact on the Indian economy. Potential effects may include the damage to infrastructure and the loss of business continuity and business information. In the event that our facilities are affected by any of these factors, our operations may be significantly interrupted, which may materially and adversely affect business, financial condition, results of operations, cash flows and prospects. Although we have insurance coverage to mitigate the effects of such risks, the occurrence of any such events may nonetheless materially and adversely affect our business.

Any downgrading of India's debt rating could have a negative impact on our business and the trading price of the Notes.

Any adverse revisions to India's credit ratings may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could adversely affect our business and future financial performance and our ability to obtain financing for capital expenditure, as well as the trading price of the Notes.

Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including, but not limited to, the conditions in the United States, Europe and Asia. Financial turmoil in Asia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, future financial condition and results of operations.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. In Europe, the exit of the United Kingdom from the European Union, and any prolonged period of uncertainty which results, could have significant negative impacts on international markets. These could include further falls in stock exchange indices and/or greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets.

There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In particular, there are rising concerns of a possible slowdown in the Chinese economy, and China is one of India's major trading partners. Such factors might also result in a slowdown in India's export growth momentum.

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilising effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Notes. Adverse economic developments overseas in countries where we have operations could have a material adverse impact on us and the trading price of the Notes.

There may be less information available in the Indian securities markets than in more developed securities markets in other countries.

There is a difference between the level of regulation and monitoring of the Indian securities markets and that of the activities of investors, brokers and other participants in securities markets in more developed economies. SEBI is responsible for monitoring disclosure and other regulatory standards for the Indian securities market. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may be, however, less publicly available information about Indian companies than is regularly made available by public companies in more developed countries, which could adversely affect the market for the Notes. As a result, investors may have access to less information about our Company's business, financial condition, cash flows and results of operations, on an ongoing basis, than investors in companies subject to the reporting requirements of other more developed countries.

If inflation were to rise in India, we might not be able to increase the prices of our services in order to pass costs on to our customers and our profits might decline.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increasing inflation in India could cause a rise in the price of transportation, wages, raw materials and other expenses, and we may be unable to reduce our costs or pass the increased costs on to our customers by increasing the price that we charge for our services, and our financial condition, cash flows and results of operations may therefore be adversely affected.

Significant differences exist between Indian GAAP, Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Indian GAAP and Ind AS contained in this Offering Circular.

Our audited financial statements included in this Offering Circular for Fiscal Years 2015 and 2016 have been prepared and presented in accordance with Indian GAAP. Our audited consolidated financial statements for Fiscal Year 2017 presented in this Offering Circular are prepared and presented in accordance with Ind AS. For comparative purposes, we have also prepared financial figures for Fiscal Year 2016 as presented in this Offering Circular which are derived from the special purpose consolidated Ind AS financial statements for Fiscal Year 2016 prepared as per Ind AS. Indian GAAP and Ind AS differ from accounting principles and auditing standards in other countries with which prospective investors may be familiar, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP, Ind AS, U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP and Ind AS contained in this Offering Circular. Accordingly, the degree to which the financial information included in this

Offering Circular will provide meaningful information is dependent on your familiarity with Indian GAAP, Ind AS and the Companies Act. Any reliance by persons not familiar with Indian GAAP or Ind AS on the financial disclosures presented in this Offering Circular should accordingly be limited. For further details, see "*Description of Certain Differences between Indian GAAP, Ind AS and IFRS*".

The Government of India has issued a set of Income Computation and Disclosure Standards effective 1 April 2016, and the impact of the standards on our tax burden is uncertain.

Furthermore, the Government of India has issued a set of Income Computation and Disclosure Standards ("**ICDS"**) that will be applied in computing taxable income and payment of income taxes thereon, effective from 1 April 2016. ICDS apply to all taxpayers following an accrual system of accounting for the purpose of computation of income under the heads of "Profits and gains of business/profession" and "Income from other sources." This is the first time such specific standards have been issued for income taxes in India, and the impact of the ICDS on our tax incidence is uncertain.

The level of development and reliability of Indian infrastructure could adversely affect our results of operations, financial condition and cash flows.

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption in its port, transportation networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies and add costs to doing business in India. These problems could interrupt our business operations, which could have an adverse effect on our results of operations, financial condition and cash flows.

Our Company's ability to raise foreign capital may be constrained by Indian law.

Companies operating in India are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could limit our Company's financing sources for acquisitions and could constrain our Company's ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, it cannot be assured that any approval required to raise foreign capital will be granted to our Company without onerous conditions, or at all. Limitations on foreign debt may have an adverse impact on our Company's business growth, financial condition, cash flows and results of operations.

We may be adversely affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business.

The Competition Act was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the CCI to separate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On 4 March 2011, the Central Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from 1

June 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the CCI. Additionally, on 11 May 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, results of operations and prospects.

Investors in the Notes may not be able to enforce a judgment of a foreign court against our Company.

Our Company is a limited liability public company incorporated under the laws of India. All of the directors of our Company and key managerial personnel named in this Offering Circular are residents of India. Further, all the assets of our Company are located in India. As a result, it may be difficult for investors to effect service of process upon our Company or to enforce judgments obtained against our Company. The recognition and enforcement of foreign judgments in India is governed by Sections 13 and 44A of the Civil Code, which provide that a suit must be brought in India within three years from the date of the judgment sought to be enforced. Generally, there are considerable delays in the disposal of suits by Indian courts.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were to be brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under the FEMA to repatriate any amount recovered. For further details, see "*Enforceability of Civil Liabilities*".

Risks Related to the Notes

Our Company may not be able to meet its obligations to pay or redeem the Notes.

In certain circumstances, Noteholders may require our Company to redeem all or a portion of the Notes and our Company would be required to pay all amounts then due under the Notes. In particular, upon a change of control of our Company, Noteholders may require our Company to redeem such Noteholders' Notes and following an acceleration of the Notes upon an event of default, our Company

would be required to pay all amounts then due under the Notes which our Company may not be able to meet. Our Company may not be able to make required payments in connection with the Notes if the requisite regulatory approval is not received or if our Company does not have sufficient cash flows for those payments.

The Notes will (subject to Condition 4.1.1) be unsecured and, accordingly, claims of our secured creditors will have priority with respect to their security over the claims of the holders of the Notes, to the extent of the value of the assets securing such indebtedness.

We have a significant amount of secured indebtedness and may incur additional secured indebtedness under the Terms and Conditions of the Notes. The Notes will (subject to Condition 4.1.1) be unsecured and, accordingly, claims of our secured creditors, including creditors under the Rupee Bank Loans, the Rupee Debentures and the Foreign Currency Loans will have priority with respect to the assets securing their indebtedness over the claims of the holders of the Notes. No security has been provided over the assets of our Company to secure the Notes. In the event of any insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding-up of our Company, holders of such secured indebtedness will have prior claims to the assets that constitute their collateral. For information about the significant amount of our secured indebtedness, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Indebtedness (Excluding Corporate Guarantees)*" and "*Description of Material Indebtedness*".

The Notes will not be guaranteed by any of our Subsidiaries and, accordingly, the Notes will be structurally subordinated to the liabilities of our Subsidiaries.

Our Company's operations are largely conducted through our Subsidiaries. Accordingly, our Company is, and after this Offering will continue to be, dependent on our Subsidiaries' operations and cash flows to service our indebtedness, including the Notes. Our Subsidiaries have a significant amount of indebtedness and may incur additional indebtedness under the Terms and Conditions of the Notes. The Notes will not be guaranteed by any of our Subsidiaries. Accordingly, the Notes will be structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of our Subsidiaries. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding-up of the business of any Subsidiary, creditors of such Subsidiary will generally have the right to be paid in full before any distribution is made to our Company. For information about the significant amount of the indebtedness of our Subsidiaries, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Indebtedness (Excluding Corporate Guarantees)*" and "*Description of Material Indebtedness*".

The Terms and Conditions of the Notes contain covenants limiting our financial and operating flexibility.

The Terms and Conditions of the Notes contain covenants that will restrict our ability to, among other things:

- create liens;
- enter into transactions with affiliates;
- incur additional indebtedness;
- pay dividends on, or repurchase, capital stock;

- sell assets; and
- enter into new businesses.

These limitations are subject to certain, exceptions and qualifications described in "*Terms and Conditions of the Notes*".

These covenants could limit our ability to pursue our growth plans, restrict our flexibility in planning for, or reacting to, changes in our business and industry and increase our vulnerability to general adverse economic and industry conditions.

Any default under the covenants contained in the Terms and Conditions of the Notes may lead to an event of default under the Notes and may lead to cross acceleration under our other indebtedness. We may not be able to pay any amounts due to holders of the Notes in the event of any such default and any such default may significantly impair our ability to satisfy our obligations under the Notes.

Since the Global Certificates are held by or on behalf of the relevant Clearing Systems, investors will have to rely on the relevant Clearing System's procedures for transfer, payment and communication with our Company.

The Notes will be represented by the Global Certificates except in certain limited circumstances described under the section "*Global Certificates*". The Global Certificates will be deposited with, and registered in the name of, a nominee of DTC or the Common Depositary, as the case may be. Except in certain limited circumstances described under the section "*Global Certificates*", investors will not be entitled to receive definitive certificates. The relevant Clearing System will maintain records of the beneficial interests in the Global Certificates. While the Notes are represented by the Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System. Our Company will discharge its payment obligations under the Notes by making payments to or to the order of the relevant Clearing System for distribution to the account holders. A holder of a beneficial interest in any of the Global Certificates must rely on the procedures of the relevant Clearing System to receive payments under the Notes.

Our Company has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificates. Holders of beneficial interests in the Global Certificates will not have a direct right under the Global Certificates to take enforcement action against our Company in the event of a default under the Notes but will have to rely upon the Trustee to enforce their rights under the Trust Deed.

An active trading market may not develop for the Notes, in which case your ability to transfer the Notes will be more limited.

The Notes are new securities for which there is currently no existing trading market. Prior to this offering, there has been no trading market in the Notes. The liquidity of any market for the Notes will depend on a number of factors, including general economic conditions and our financial condition, performance and prospects, as well as recommendations of securities analysts. We have been informed by the Joint Bookrunners that they may make a market in the Notes after this offering has been completed. However, they are not obligated to do so and may discontinue such market-making activity at any time without notice. In addition, market-making activity by the Joint Bookrunners' affiliates may be subject to limits imposed by applicable law. As a result, we cannot assure you that any market in the Notes will develop or, if it does develop, it will be maintained. If an active market in the Notes fails to develop or be sustained, you may not be able to sell the Notes or may have to sell them at a lower price.

The ratings and outlook of the Notes and us may be downgraded or withdrawn.

The Notes are expected to be rated "Baa3" by Moody's, "BBB-" by Fitch and "BBB-" by Standard & Poor's. We are rated "Baa3 (Stable)" by Moody's, "BBB- (Stable)" by Fitch and "BBB-(Stable)" by Standard & Poor's. The ratings and outlook represent the opinions of the rating agencies and their assessment of the ability of the Issuer to perform its obligations under the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating or outlook is not a recommendation to buy, sell or hold securities. The ratings or outlook can be lowered or withdrawn at any time. We are not obligated to inform Noteholders if the ratings or outlook are lowered or withdrawn. A reduction or withdrawal of the ratings may adversely affect the market price and liquidity of the Notes and our ability to access the debt capital markets.

Developments in other markets may adversely affect the market price of the Notes.

The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for Indian securities is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including India. In recent years, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

The Trustee may request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances, the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of the Noteholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may have an impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed or in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such actions directly.

The Notes are subject to restrictions on resales and transfers, which may adversely affect their liquidity and the price at which they may be sold.

The Notes have not been registered under the Securities Act or any U.S. state securities laws or under the securities laws of any other jurisdiction and are being issued and sold in reliance upon exemptions from registration provided by such laws. As a result, investors may not resell or transfer the Notes unless such sale or transfer is exempt from the registration requirements of the Securities Act and applicable state securities laws or in transactions that have been registered under the Securities Act.

Modifications of, any waivers under, the Trust Deed and the Bonds could be adverse to the interests of Noteholders.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and

Noteholders who voted in a manner contrary to the majority. The Terms and Conditions of the Notes also provide that the Trustee may without the consent of Noteholders, agree to (i) any modification of the Terms and Conditions of the Notes or any of the provisions of the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the Terms and Conditions of the Notes or any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders.

The Trust Deed also contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders, to the substitution of any other company in place of the Company, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes; provided, however, that immediately after such substitution, the Company must deliver to the Trustee an opinion of counsel of recognised standing with respect to U.S. federal income tax matters that the beneficial owners of the Notes will not recognise gain or loss for U.S. federal income tax purposes as a result of such substitution and will be subject to the same U.S. federal income tax consequences as if such substitution did not occur.

There may be interest rate risks on an investment in the Notes.

Investment in fixed rate instruments involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate instruments.

Approval of the RBI or the designated authorised dealer bank, as the case may be, is required for repayment of the Notes prior to maturity.

Under the ECB Guidelines, any repayment of an external commercial borrowing prior to its stated maturity may require the prior approval of the RBI or the designated authorised dealer bank, as the case may be. Therefore, any repayment of the Notes prior to maturity as a result of early redemption pursuant to the Terms and Conditions of the Notes (Condition 6.2 (*Redemption for Taxation Reasons*) or Condition 6.3 (*Change of Control Put Option*) or Condition 6.4 (*Redemption at the Option of the Issuer*)) would require the prior approval of the RBI or the designated authorised dealer bank, as the case may be. There can be no assurance that such approval would be obtained in a timely manner or at all. In the absence of such an approval, our Company may not be able to redeem all or any of the Notes prior to maturity.

Remittances of funds outside India pursuant to indemnification by our Company in relation to the Notes requires prior RBI approval.

Remittance of funds outside India by our Company pursuant to indemnity clauses under the Terms and Conditions of the Notes, Trust Deed or any other agreements in relation to the Notes requires prior RBI approval. Any approval, if and when required, for the remittance of funds outside India is at the discretion of the RBI and our Company can give no assurance that it will be able to obtain such approvals.

The right of Noteholders to receive payments on the Notes is junior to certain tax and other liabilities preferred by law.

The Notes will be subordinated to certain liabilities preferred by law such as to claims of the Government of India on account of taxes, and certain liabilities incurred in the ordinary course of our Company's trading or banking transactions. In particular, in the event of bankruptcy, liquidation or

winding-up, our Company's assets will be available to pay obligations on the Notes only after all of those liabilities that rank senior to these Notes have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Notes.

The Notes are not a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

USE OF PROCEEDS

The net proceeds of the issue of the Notes (after deduction of fees, commissions and expenses) are estimated to be approximately U.S.$491.6 million. Subject to compliance with applicable laws and regulations, our Company intends to use the net proceeds of approximately U.S.$414.8 million to refinance existing indebtedness of our Company and/or its Subsidiaries, as permitted under the ECB Guidelines and/or if required, approvals of RBI. We may use any balance of the net proceeds for capital expenditure requirements other general corporate purposes, or to refinance existing indebtedness of our ventures in a jointly controlled entity or our associates, or otherwise as permitted under the ECB Guidelines and/or if required, approvals of RBI.

CAPITALISATION

The following table sets forth our Company's capitalisation and total debt, on a consolidated basis, as at 31 March 2017 (Ind AS) and on an as adjusted basis to give effect to this Offering and the expected use of proceeds. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Use of Proceeds*" and our audited consolidated financial statements contained elsewhere in this Offering Circular.

	As at 31 March 2017	As adjusted
	(Rs. in Millions)	
(A). Shareholders' funds		
Equity share capital	4,141.9	4,141.9
Other equity	171,117.9	171,117.9
Equity attributable to equity holders of the Company	**175,259.8**	**175,259.8**
Non-controlling interests	1,392.4	1,392.4
Total Equity (A)	**176,652.2**	**176,652.2**
(B). Total Debt		
Non-current Borrowings excluding Senior Notes due 2020/2022 (including current maturities)[(1)]	115,293.3	88,393.5
Senior Notes due 2020	42,152.5	42,152.5
Senior Notes due 2022	32,075.6	32,075.6
Notes offered hereby[(1)]	—	31,880.3
Customer's bills discounted	7,282.3	7,282.3
Other Short Term Borrowings	25,338.9	25,338.9
Total Debts (B)	**222,142.6**	**227,123.1**
Total (A+B)	**398,794.8**	**403,775.3**

(1) Net proceeds of the issue of U.S.$491.6 million converted at an exchange rate of U.S.$1.00 = Rs. 64.85 as on 31 March 2017, is shown as "Notes offered hereby" of which proceeds of U.S.$414.8 million has been adjusted in the "Non-current Borrowings excluding Senior Notes due 2020/2022 (including current maturities)".

Except as disclosed in the foregoing, there has been no material change to our capitalisation since 31 March 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our financial condition and results of operations for Fiscal Years 2015, 2016 and 2017. Our audited financial statements included in this Offering Circular for Fiscal Years 2015 and 2016 have been prepared and presented in accordance with Indian GAAP. Our audited consolidated financial statements for Fiscal Year 2017 presented in this Offering Circular are prepared and presented in accordance with Ind AS.

The comparative numbers in the Indian GAAP consolidated financial statements presented in this Offering Circular have been regrouped and, where appropriate, reclassified in order to present the figures on a substantially consistent basis compared to the audited consolidated financial statements for the respective Fiscal Year. Financial information from Fiscal Year 2015 appearing in this Offering Circular are based on figures appearing as comparatives in the audited consolidated financial statements for Fiscal Year 2016 prepared in accordance with Indian GAAP, found elsewhere in this Offering Circular.

In addition to the 2016 Indian GAAP Figures, we have also prepared financial information for Fiscal Year 2016 as presented in this Offering Circular which are derived from the 2016 Special Purpose Ind AS Figures, and we have provided a reconciliation between the 2016 Indian GAAP Figures and the 2016 Special Purpose Ind AS Figures. For details regarding the reconciliation between the 2016 Indian GAAP Figures and the 2016 Special Purpose Ind AS Figures, see Note 47 to the consolidated Ind AS financial statements for Fiscal Year 2017.

The financial information for Fiscal Year 2016 presented in accordance with recognition and measurement principles of Ind AS is derived from the Special Purpose Consolidated Ind AS Financial Statements for Fiscal Year 2016 which are not included in this Offering Circular. The Special Purpose Consolidated Ind AS Financial Statements for Fiscal Year 2016 were prepared in accordance with recognition and measurement principles of Ind AS and the basis of preparation as set out in the accompanying notes thereto and do not include comparative information and do not consider any events or circumstances which have occurred after 3 May 2016, for which the auditors have included a modification in their report.

Indian GAAP differs in certain respects from Ind AS, IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. As a result, our financial statements prepared under Ind AS for the period commencing from 1 April 2016 may not be comparable to our historical financial statements. For a discussion of certain significant differences between Indian GAAP, Ind AS and IFRS, see "Description of Certain Differences Between Indian GAAP, Ind AS and IFRS". Therefore, as the comparison under "-Fiscal Year 2016 Compared to Fiscal Year 2015" is based on Indian GAAP figures while the comparison "-Fiscal Year 2017 Compared to Fiscal Year 2016" is based on Ind AS figures, the two comparisons are not strictly comparable.

The following discussion of our financial condition and results of operations should be read in conjunction with our Company's consolidated financial statements, the schedules and notes thereto and the other information included elsewhere in this Offering Circular.

This section contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in such forward-looking statements as a result of various factors, including those described under the sections "Forward-looking Statements" and "Risk Factors".

Overview

We are India's largest private developer and operator of ports and related infrastructure. We provide fully integrated marine, handling, storage and logistics services. We have expanded our business from operating a single port at Mundra on the west of India to being a pan-India integrated logistics service provider operating eight ports/terminals and three inland container depots. We are further expanding our capacities at certain of our existing ports and are also in the process of developing an additional terminal in the south of India at Vizhinjam.

With a total installed capacity of 333.8 mmtpa for handling a diverse cargo base, including dry and liquid bulk, containers, crude and automobiles, we handled 168.7 mmtpa of cargo in Fiscal Year 2017. We believe that we are India's benchmark to global ports in terms of strengths, capacities and operations.

Our total income for Fiscal Years 2015 and 2016 as per Indian GAAP was Rs. 68,376.2 million and Rs. 79,405.5 million, respectively and our total income for Fiscal Years 2016 and 2017 as per Ind AS was Rs. 78,413.2 million and Rs. 94,794.6 million, respectively. Our net profit attributable to equity holders of the Company for Fiscal Years 2015 and 2016 as per Indian GAAP was Rs. 23,143.3 million and Rs. 28,673.6 million, respectively and our net profit attributable to equity holders of the Company for Fiscal Years 2016 and 2017 as per Ind AS was Rs. 28,971.6 million and Rs. 39,115.2 million, respectively.

In Fiscal Year 2006, our total installed capacity was 10.0 mmt and total cargo handled was 11.7 mmt. In the same period, revenue from operations was Rs. 3,845.4 million, EBITDA was Rs. 2,335.9 million and total assets were Rs. 20,846.6 million.

Significant Factors Affecting Our Results of Operations

Cargo Volumes

Our results of operations depend, to a significant extent, on the cargo volumes handled at our facilities. The cargo volume that we handle depends in turn on the strength of the Indian economy, the levels of global and regional trade, the continued globalisation of world trade (which has historically led to an increase in the volume of seaborne cargo), competition from new and existing ports in India (particularly in west India), industry trends such as consolidation and changes in shipping alliances, and new long-term and short-term agreements into which we enter. See "*Risk Factors*" for further detail. Over the past few years, other than the terminals operated by us, no new ports have opened in western India. In order to avoid becoming completely dependent on the demand from India's international trade, we also service transhipment cargo for our Company's container business and we may introduce this service across all of our ports which have container handling facilities. In addition, we have mitigated business risk by entering into certain long-term port service agreements with various customers across all key ports. In order to mitigate construction, business and financial risks, we have entered into strategic partnerships with various stakeholders for development and/or operations of cargo terminals. We intend to enter into more of such partnerships in the future.

Our total cargo volume split between long-term contracts / partnerships and short term contracts is set out below for the periods indicated:

	For Fiscal Year		
	2015	2016	2017
		(in mmt)	
Long Term Cargo	85.1	91.5	104.3
Short Term Contracts	59.2	60.0	64.4
Total	**144.3**	**151.5**	**168.7**

The cargo volume that we handle has increased in recent years as a result of a number of factors, including (i) our development of new terminals, berths and other infrastructure at Mundra Port, (ii) our operations of ports and terminals at Hazira Port and Murmugao Port, (iii) the commencement of operations at Kandla Port Terminal in February 2015 and (iv) our takeover of operations at Dhamra Port following our Company's acquisition of this port through a share purchase agreement dated 16 May 2014 entered into with Tata Steel Limited and L&T Infrastructure Development Project Limited.

In Fiscal Year 2017, our container handling capacity was 6.7 million TEUs and volumes were 4.2 million TEUs, bulk handling capacity was 189.0 MMT and volumes were 85.7 MMT and crude handling capacity was 50.0 MMT and volumes were 21.0 MMT. We expect our cargo volume handled to continue to increase as we expand our overall capacity and infrastructure at our existing ports.

Our total cargo volume handled by facility is set out below for the periods indicated:

	For Fiscal Year		
	2015	2016	2017
		(in mmt)	
Facility			
Mundra Port	110.9	109.0	113.7
Dahej Port	12.4	8.2	6.3
Dhamra Port*	11.7	14.7	21.4
Hazira Port	7.2	12.3	15.3
Vizag Port Terminal	0.9	0.9	—
Murmugao Port Terminal	1.0	1.8	2.0
Kandla Port Terminal	0.2	3.7	4.5
Kattupalli**	—	0.9	5.5
Total	**144.3**	**151.5**	**168.7**

* In Fiscal Year 2015, cargo considered from the date of acquisition of Dhamra Port (i.e., from 23 June 2014).

** In Fiscal Year 2016, cargo considered from the date of commencement of operations at Kattupalli Port, on an interim basis (i.e., from 1 November 2015)

Our Expansion Plans

We have completed certain expansion plans and are in the process of implementing further expansion plans, which may affect our results of operations.

We have completed construction at Ennore Port terminal, Murmugao Port terminal, Vizag Port terminal and Kandla Port terminal. Also, a majority of our capital expenditure at our operational facilities has been completed. In addition, we are developing a liquefied natural gas terminal for GSPC LNG Limited at Mundra Port and an incremental container terminal, to be operated as a joint venture with CMA CGM at south basin at Mundra. We are also mechanising the south berth at our Dahej Port which will enhance Dahej port capacity substantially and will result in this port being fully mechanised. At Hazira Port, we are developing additional tank farms to store liquid cargo. Our Company is developing a new container terminal at Vizhinjam Port. Our future expansion plans may require a significant amount of expenditure, and, once operational, are expected to provide us with additional capacity to handle cargo in new and existing geographies, and higher revenue from cargo handled and related services.

Pricing and Revenue Models

Generally, the prices we charge for our services depend on a number of factors, including (i) the volume of cargo handled, (ii) the type of cargo handled, (iii) the types of customised services provided to customers, (iv) the specific incentives for individual customers including the size and nature of our existing arrangements with the customers, and (v) competitive pricing by other ports. We have been able to increase our pricing for certain services, particularly those that capture the extent of our vertically integrated business, and for value-added services. The pricing for cargo handling at our ports is commercially driven except for Murmugao Port terminal, Vizag Port terminal and Kandla Port terminal where pricing is governed by the methodology established by the TAMP. However, the port trust and concessionaire can rework the pricing mechanism at their discretion.

For certain customers with respect to coal, crude oil, automobile and other dry and liquid bulk cargo, we typically enter into long-term agreements which provide for some or all of the following, (i) fixed charges per year, (ii) variable charges and freight charges based on the volume or value of cargo handled or transported, each with a periodic adjustment linked to an index and various value-added charges, and/or (iii) royalties based on a percentage of the gross revenue generated by the relevant customers for container cargo. For other customers, we enter into spot contracts or short and medium-term agreements which allow us to renegotiate the terms and pricing of these agreements to reflect prevailing market conditions. We have entered into take-or-pay agreements with some of our customers for the provision of our port operation services. These agreements are long-term in nature and generally terminate upon the maturity of the relevant concession period. We receive a stable fixed income each year from such agreements, irrespective of the cargo volume handled. Apart from such fixed income, we also receive revenue in the form of variable charges per tonne on the basis of the actual cargo volume done by customers.

Our revenue is predominantly generated from the following activities, (i) port operation services such as marine activities for vessels, cargo handling and storage activities, (ii) waterfront royalty with respect to cargo handled, (iii) lease and sub-lease of land on a long-term basis, (iv) usage of our infrastructure, (iv) container terminals provided to sub-concessionaires and (v) various utility services provided to SEZ units.

In respect of lease and sub-lease of land, we receive upfront income in addition to the annual lease rental. Further, we receive income by providing various value-added services, in addition to cargo handling and storage activities, such as bagging and evacuation of cargo. We also receive interest income from our customers and from intercorporate deposits and bank deposits.

Cargo and Service Mix

Our results of operations depend substantially on the variety of cargo handled and services that we provide to our customers. Our four broad categories of cargo handled are, (i) coal, (ii) crude (iii) container and, (iv) other bulk (excluding coal). The cargo volumes across the above four categories for Fiscal Years 2015, 2016 and 2017 are provided in the table below:

	For Fiscal Year		
	2015	**2016**	**2017**
Cargo type			
Coal (mmt)	68.3	62.6	59.9
Crude (mmt)	17.5	21.8	21.0
Container (million TEUs / mmt)	2.9 / 41.9	3.4 / 48.9	4.2 / 61.9
Other bulk (mmt)	16.5	18.2	25.8

The port and related services we provide include (i) marine services, (ii) stevedoring, (iii) cargo handling, (iv) internal transportation, (v) storage, (vi) value-added services (e.g. reefer services, heating of cargo and bagging), (vii) last mile evacuation, and (viii) other logistics services. The pricing of the services that we provide depends on, among other things, the type of cargo handled and the type of service offered. As a result, the type of cargo that we handle may substantially affect our results of operations. Our ability to maintain a diverse mix of cargo handled and other services performed allows us to diversify our income sources, reduce financial risk and compete more effectively.

Capacity and Utilisation

Our results of operations are affected by the capacities and utilisations of our terminals, berths, equipment and other infrastructure. Between Fiscal Years 2015 and 2017, our volume of cargo handled increased at a CAGR of 8.1%. Our capacities have increased significantly in recent years as a result of our commissioning of new terminals, expansion of the capacity at our existing operational facilities and acquisition. We have also, and continue to, benefit from the deep drafts at our facilities, which allow us to accommodate larger ships that can handle larger volumes of cargo. Our facilities at Mundra Port, Hazira Port, Dahej Port and Dhamra Port can accommodate large capesize ships and container ships of more than 14,000 TEUs. The coal and bulk terminal at Mundra has a draft of up to 20 metres and is capable of handling super capesize ships.

Tax Incentives for our Company

Our Company received various tax incentives from the Government of India, including tax incentives available for SEZs. For Fiscal Years 2008 to 2011, our Company, as developers of the Mundra SEZ, claimed tax incentives under section 80 IAB of the Income Tax Act. These tax incentives were available to our Company for a period of 10 consecutive years in a block of 15 years from commencement of operations and included an annual deduction equivalent to 100% of profits derived from developing or operating the Mundra SEZ, as well as exemptions from taxes on dividend distribution and other indirect taxes and duties. Between Fiscal Years 2008 and 2011, we were not required to pay MAT. However, as a result of the amendment to sections 115 JB and 115 O of the Income Tax Act, which took effect from 1 April 2011, we have been paying MAT and dividend distribution tax and continue to claim benefits of tax incentives under section 80 IAB of the Income Tax Act.

The tax incentives claimed by our Company pursuant to Section 80-IAB expired in Fiscal Year 2017. As the tax incentives have expired, our Company's liability to pay tax may increase, thereby reducing our profitability. However, as our Company is also eligible for MAT credit in respect of the MAT paid in previous years, there may not be a material increase in our Company's tax liability until our Company is able to set off its tax liability against available MAT credit. Further, the continuity of indirect tax benefits available under the present structure of indirect taxation is under consideration by the Government of India in light of the proposed introduction of the GST regime, with effect from 1 July 2017.

Tax Incentives for Port Companies (enterprises engaged in infrastructure development)

We also receive tax incentives under section 80 IAB of the Income Tax Act for developing, operating and maintaining ports. These tax incentives are available to us for a period of 10 consecutive years in a block of 15 years from commencement of operations and expire in Fiscal Year 2017 and include a possible deduction as determined in accordance with Section 80 IAB of the Income Tax Act of profits derived from such activity. We are also required to pay MAT on profits derived on such activity.

The tax incentives claimed by our Company expired in Fiscal Year 2017. Accordingly, our tax liability may increase, thereby reducing our profitability. However, as our Company is eligible for MAT credit in respect of MAT paid in previous years, there may not be a material increase in the tax liability until such time our Company is able to set off its tax liability against available MAT credit.

Critical Accounting Policies

Certain of our accounting policies require the application of judgment by our management in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. Our management bases its estimates on historical experience and various other assumptions that they believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following are the most relevant critical accounting policies, related judgments and estimates used in the preparation of our financial statements.

Critical Accounting Policies under Indian GAAP

Basis of Presentation/Consolidation

Our consolidated financial statements for Fiscal Years 2015 and 2016 have been prepared in accordance with Indian GAAP ("AS") 21 - Consolidated Financial Statements, AS 23 - Accounting for Investments in Associates in Consolidated Financial Statements and AS 27 - Financial Reporting of Interests in Joint Ventures, each as notified under section 133 of the Companies Act 2013 read with paragraph 7 of the Companies (Accounts) Rule 2014. See "*Description of Certain Differences between Indian GAAP, Ind AS and IFRS*". The financial statements of our Company and our Subsidiaries are consolidated on a line-by-line basis, and intra-group balances, intra-group transactions and unrealised profits or losses are eliminated. Minority interests in the net assets of consolidated Subsidiaries consists of the amount of equity attributable to the minority shareholders at the respective dates on which investments are made by our Company in the relevant Subsidiary and further movements in

their share in the equity, subsequent to the dates of investment as stated above. The carrying amount of investments in our associate is effected using the "equity method" and includes our Company's share of post-acquisition profits or losses. For joint ventures, the interests in the assets, liability, income and expense are consolidated using proportionate consolidation method. Intra-group balances, transactions and unrealised profit and losses are eliminated to the extent of our Company's proportionate share.

The financial statements of our Subsidiaries, joint venture companies and associates are drawn up to the same reporting date as our Company, which are Fiscal Years 2015 and 2016.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to our Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- ***Port Operation Services and multi modal cargo storage cum logistics services.*** Revenue from port operation services and multi modal cargo storage cum logistics services including cargo handling, storage and rail infrastructure are recognised on a proportionate completion method basis based on the service performed. Revenue on take-or-pay charges are recognised for the quantity that is the difference between annual agreed tonnage and actual quantity of cargo handled. The amount recognised as revenue is exclusive of service tax and education cess where applicable.

- ***Licence Fees/Royalties.*** Income from licence fees/royalties is recognised as and when the right to receive such income is performed as per the terms and conditions of the relevant agreement.

- ***Income from Long-term Leases.*** Our Company leases/sub-leases land on a long-term basis to customers. Our Company enters into either cancellable lease/sub-lease transactions, or non-cancellable lease/sub-lease transactions apart from other criteria to classify the transaction between the operating lease or finance lease. Our Company recognises income based on the principles of leases in accordance with AS 19 "Leases", accordingly in cases where the land lease/sub-lease transaction is cancellable in nature, the income from upfront premium received/receivable is recognised on an operating lease basis, i.e. on a straight line basis over the period of a lease/sub-lease agreement or the date on which memorandum of understanding takes effect over the lease period and annual lease rentals are recognised on an accrual basis. Where the land lease/sub-lease transaction is non-cancellable in nature, the income is recognised on a finance lease basis i.e. at the inception of lease/sub-lease agreement or the date on which memorandum of understanding takes effect over the lease period. The income recognised 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 a finance lease basis, the corresponding cost of the land and development costs incurred are deducted as expenses in the statement of profit and loss. In the case of our Subsidiary, MITAP, the upfront premium received/receivable under long-term leases/infrastructure usage agreements is recognised as income pro rata over the period of the sub-lease agreement.

- ***Deferred Infrastructure Usage.*** Income from infrastructure usage fee collected on an upfront basis from the customers is recognised over the balance contractual period on a straight line basis.

- ***Development of Infrastructure Assets.*** Where our Company is involved in the development and construction of infrastructure assets and the outcome of the project cannot be estimated reliably, revenue is recognised 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 have been received or obtained.

- ***Non-scheduled Aircraft Services.*** Revenue from chartered services is recognised when the service is performed in accordance with our Companies' contractual obligations and the right to receive such income is established.

- ***Utilities Services.*** Revenue is recognised as and when the service performed in accordance with our Companies' 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 recognised on a percentage completion method. This percentage is reached by calculating the proportion of the contract costs incurred for work performed up to the reporting date against the estimated total contract costs indicated for the relevant stage of completion of the project. Contract revenue earned in excess of billing has been reflected under the heading "Other Current Assets" and billing in excess of contract revenue has been reflected under the heading "Other Current Liabilities" in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen.

- ***Income from fixed price contract.*** Revenue from infrastructure development projects/services under fixed price contract, where there is no uncertainty as to measurement or collectability of consideration is recognised based on the milestones reached under the relevant contract.

- ***Interest.*** Interest is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate. Interest income on land leases is included under the heading "Revenue from operations" and other interest income is included under the heading "Other income". Interest income also includes interest earned from multi-year payment terms with customers and is included under the heading "Other income".

- ***Dividends.*** Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

Foreign Currency Translation

- ***Initial Recognition.*** Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

- ***Conversion.*** Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

- ***Exchange Differences***

    - Exchange differences arising on long-term foreign currency monetary items related to the acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset.

- Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item.

- All other exchange differences are recognised as income or as expenses in the period in which they arise.

Our Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular no. 25/2012 dated 9 August 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, our Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

- ***Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability.*** The premium or discount arising at the inception of forward exchange contracts and recognised, is amortised as an expense/income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or as expense for the period. Any gain/loss arising on forward contracts which are long-term foreign currency monetary items is recognised in accordance with the paragraph above.

- ***Derivative transactions.*** Our Company uses derivative financial instruments, such as principal only swap (i.e. Rupees to foreign currency) to take advantage of lower interest rate of foreign currency borrowings and foreign currency forward contract in order to hedge foreign currency risk arising from future transactions in respect of which firm commitments are made, or which are highly probable forecast transactions. In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

- ***Provisions, Contingent Liabilities and Contingent Assets.*** A provision is recognised when our Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on the best management estimate of what is required to settle such obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted using the current best management estimates. Contingent liabilities and contingent assets are neither recognised nor disclosed in our audited consolidated financial statements.

- ***Derivative Accounting.*** From Fiscal Year 2016, our Company has early adopted the "Guidance Note on Accounting for Derivative Contracts" issued by the Institute of Chartered Accountants of India, (except the guidance related to hedge accounting) which requires recognition of all derivative contracts on the balance sheet and measured at fair value. Had our Company followed the same accounting policy as in the previous year, net profit for Fiscal Year 2016 would have

been lower by Rs. 712.7 million. The cumulative impact of all derivative contracts outstanding as of that date of the Guidance Note becoming effective, amounting to Rs. 4 million, is recognised in reserves as at 1 April 2015 as a transition adjustment in accordance with the transitional provision of the Guidance Note.

Depreciation of Fixed Assets

From 1 April 2014:

Depreciation of our fixed assets is calculated on a straight line basis using the rates arrived at based on the useful lives of the respective assets estimated by the management. Further, pursuant to the notification of Schedule II of the Companies Act, 2013, effective 1 April 2014, the management, in order to conform to the requirements of the Companies Act, 2013, has internally reassessed and changed, wherever necessary, the useful lives of the respective assets to compute depreciation. For assets stated in the paragraphs below, the useful lives are different from those prescribed under Part C of Schedule II of the Companies Act, 2013.

Assets	Estimated Useful Life
(i) Leasehold land development	Over the balance period of the concession agreement or sub-concession agreement and supplementary concession agreement, approved by GMB, other major port trust, state government bodies etc., as applicable
(ii) Marine structure, dredged channel, building RCC frame structure	50 years as per concession agreement
(iii) Leasehold land - right to use	Over the balance period of the concession agreement
(iv) Dredging pipes - plant and machinery	1.5 years
(v) Nylon and steel coated belt on conveyor - plant and machinery	4 years and 10 years, respectively
(vi) Inner floating and outer floating hose, string of single-point mooring - plant and machinery	6 years
(vi) User agreements and customer relationships	5 to 10 years
(vii) Fender, buoy, capstan installed at jetty - marine structures	25 years
(viii) Bridges, drains and culverts	10 years
(ix) Carpeted roads - other than RCC	20 years as per concession agreement
(x) Tugs	1.5 years

Insurance spares, whose use is expected to be irregular, are depreciated prospectively over the remaining useful lives of the respective mother assets.

At the end of the sub-concession agreement and supplementary concession agreement, all contracted immovable and movable assets shall be transferred to and shall vest in GMB for consideration equivalent to the DRV which has been considered on cost basis. Accordingly, the residual value of such assets is different from limits specified in Schedule II of the Companies Act, 2013.

Depreciation of Intangible Assets

From 1 April 2014:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as of the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible Assets	Estimated Useful Life (Years)
(i) Goodwill arising on the amalgamation of Adani Port Limited	Over the balance period of the concession agreement computed from the appointed date of the scheme of amalgamation (28 years)
(ii) Software Applications	5 years based on management estimate.
(iii) Licence fees paid to Ministry of Railway for approval for movement of container trains	Over the period of 20 years
(iv) Right of use to develop and operate the port facilities	Over the balance period of the sub-concession agreement

Impairment

We review the carrying amounts of assets at each balance sheet date to determine if there is any indication of impairment based on internal and/or external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, we estimate future cash flows discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Income Taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act enacted in India and the relevant tax laws prevailing in the respective tax jurisdictions where our Company operates. The tax rate and tax laws used to compute the amount to be paid to the tax authorities are those that are enacted or substantively enacted at the reporting date. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Our Company is eligible and claims tax deductions available under section 80IAB of the Income Tax Act. Some of our Subsidiaries are eligible for tax benefits under section 80IA of the Income Tax Act.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. In view of our Company availing of tax deduction under section 80IAB/80IA of the Income Tax Act, deferred tax has been recognised in respect of timing difference, which originates during the tax holiday period but reverses after the tax holiday period. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where our Company has to carry forward unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each balance sheet date, unrecognised deferred tax assets of earlier years and carrying amount of deferred tax assets are reviewed to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised. Our Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT paid in a year is charged to the statement of profit and loss as current tax. Our Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that our Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which our Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". Our Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent our Company does not have convincing evidence that our Company will pay normal tax during the specified period.

Critical Accounting Policies under Ind AS

From 1 April 2016:

Basis of preparation/Consolidation

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

For all periods up to and including Fiscal Year 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. Financial statements for Fiscal Year 2017 are the first the Group has prepared in accordance with 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.

In addition, the financial statements are presented in Rupees and all values are rounded to the nearest Rupees 10 million, except when otherwise indicated.

Critical accounting policies under Ind AS applicable for our special purpose consolidated Ind AS financial statements for Fiscal Year 2016 and our audited consolidated financial statements for Fiscal Year 2017

Investment in associates and joint ventures

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 joint venture 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 associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture 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 its joint ventures. Any change in other comprehensive income 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 a joint venture, 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 a joint venture are eliminated to the extent of the interest in the joint venture.

If an entity's share of losses in 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 in a joint venture is shown on the face of the statement of profit and loss.

The financial statements of a joint venture are prepared for the same reporting period as the Group's. 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 joint venture. At each reporting date, the Group determines

whether there is objective evidence that the investment in a joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the statement of profit or loss.

Upon loss of significant influence or the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture 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.

Foreign currency transactions

The Group's consolidated financial statements are presented in Rupees, which is also our 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. 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.

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 recognised in profit or loss with the following exceptions:

- Exchange differences, arising on long-term foreign currency monetary items related to the acquisition of 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. 31 March 2016 are capitalised / decapitalised to cost of fixed assets and depreciated over the remaining useful life of the asset.

- 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. 31 March 2016 are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" 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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Rupees 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 other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Fair value measurement

Our 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 (i) in the principal market for the asset or liability, or (ii) 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 our 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. Our Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 recognised in the financial statements on a recurring basis, our Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Our Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value. External valuers are involved for valuation of unquoted financial assets and financial liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Management. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with our Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, our Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per our Company's accounting policies. For this analysis, our Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Our Company, in conjunction with our external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on a yearly basis.

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

Revenue recognition

Revenue is recognised 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 recognised.

- ***Port Operation Services.*** Revenue from port operation services/multi-model and transportation service including cargo handling, storage and rail infrastructure are recognised on proportionate completion method basis based on services completed till reporting date. Revenue on take-or-pay charges are recognised for the quantity that is the difference between annual agreed tonnage and actual quantity of cargo handled. The amount recognised as a revenue is exclusive of service tax and education cess where applicable. Income in the nature of licence fees/royalty is recognised as and when the right to receive such income is established as per terms and conditions of relevant 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 recognises 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 recognised 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 recognised on an accrual basis.

  When land lease / sub-lease transactions are non-cancellable in nature, the income is recognised on a finance lease basis (e.g. at the inception of the lease or sub-lease agreement or the date at which the memorandum of understanding takes effect) over the lease period, the income recognised 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 leased on a finance lease basis, the corresponding cost of the land and the development costs incurred are expensed off in the statement of profit and loss.

- ***Deferred Infrastructure Usage.*** Income from infrastructure usage fees which is collected upfront basis from a customer is recognised over the balance of the contractual period on straight line basis.

- ***Development of Infrastructure Assets.*** When the Group is involved in the development and construction of infrastructure assets and the outcome of the project cannot be reasonably estimated, revenue is recognised 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 recognised when the service is performed under contractual obligations.

- ***Utilities Services.*** Revenue is recognised 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 recognised using a percentage completion method, where the contract costs incurred for work performed up to the reporting date are recognised in proportion to the estimated total contract costs based on the stage of completion of the project. Contract revenue earned in excess of billing is reflected under the head "Other Current Assets" and billing in excess of contract revenue is 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 contracts.*** Revenue from infrastructure development project and services under fixed price contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognised based on milestones reached under the contract.

- ***Income from SEIS/SFIS.*** Income from Services Exports from India Scheme ("SEIS") incentives under the Government of India's Foreign Trade Policy 2015-20 and Served from India Scheme ("SFIS") under the Government of India's Foreign Trade Policy 2009-14 on port services income are classified as "Income from Port Operations" and this income is recognised based on the effective incentive rate under the scheme, provided no significant uncertainty exists for the measurability, realisation and utilisation of the credit under the scheme. The receivables related to SEIS licenses are classified as "Other Non Financial Assets".

- ***Interest income.*** For all debt instruments measured either at amortised 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 amortised 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 recognised 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.

- ***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.

Property, plant and equipment

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 capitalisation criteria are met, and the directly attributable cost of bringing the asset to its working condition for the intended use. The Group has elected previous GAAP carrying values of property as deemed cost at the date of transition to Ind AS.

Capital work in progress included in plant, property and equipment 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 recognised 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 recognised 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. 31 March 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 are estimated by the management. The identified components 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 lives 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 / 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 and buildings	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
User agreements and customer relationships	5 - 10 years
Fender, buoy installed at jetty - marine structures	5 - 10 years
Bridges, drains and culverts	10 years
Carpeted roads	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 our 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 recognised is derecognised 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 derecognised.

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.

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 amortisation 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	Estimated Useful Life
Software applications	5 Years based on management estimate
Licence Fees paid to Ministry of Railway (MOR) for approval for movement of Container Trains	Over the licence period of 20 years
Right to Use of Land	Over the period of agreement between 10-20 years
Right of use to develop and operate the port facilities	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 each of our Company, our Subsidiaries and joint ventures as part of the service concession arrangement. Such an intangible asset is recognised by each of our Company, our Subsidiaries and joint ventures 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 to 40 years.

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 1 April 2015, the Group has determined whether the arrangement contains a 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 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.

Retirement and other employee benefits

Retirement benefit in the form of a provident fund is a defined contribution scheme. None of our Company, our Subsidiaries and joint ventures has any retirement obligations, other than the contribution payable to the provident fund. Each of our Company, our Subsidiaries and joint ventures recognises 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 the service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised 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 other comprehensive income 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. Each of our Company, our Subsidiaries and joint ventures 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 a short-term employee benefit. Each of our Company, our Subsidiaries and joint ventures measures the expected cost of such absence as the additional amount that it expects to pay as a result of the unused estimate that has accumulated at the reporting date. Each of our Company, our Subsidiaries and joint ventures 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 using the projected unit credit method. Each of our Company, our Subsidiaries and joint ventures presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer the settlement of such leave for twelve month after the reporting date.

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.

Initial recognition and measurement

All financial assets, except investment in Subsidiaries, associates and joint ventures are recognised initially at fair value.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories: (i) debt instruments at amortised cost (ii) debt instruments and derivative instruments at fair value through profit or loss (FVTPL), and (iii) 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. The category is most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

- ***Debt instruments at FVTPL.*** FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as of amortised cost or as FVTOCI, is classified as of FVTPL. The Company has not designated any debt instrument as of FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

- ***Equity investments.*** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the 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 recognised in the OCI. There is no recycling of the amounts from other comprehensive income 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 recognised in the profit and loss.

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 consolidated balance sheet) when:

(i) the rights to receive cash flows from the asset have expired, or (ii) 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 the expected credit loss ("**ECL**") model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances;

- financial assets that are debt instruments and are measured as of other comprehensive income (FVTOCI);

- lease receivables under Ind AS 17; and

- 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 a 'simplified approach' for recognition of impairment loss allowance on: (i) trade receivables or contract revenue receivables; and (ii) all lease receivables resulting from transactions within the scope of Ind AS 17.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk said initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

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

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

- ***Financial liabilities at fair value through profit or loss.*** Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as of 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 recognised in other comprehensive income. 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 of FVTPL.

Loans and borrowings

The loans and borrowings category 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 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.

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 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 recognised 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 expense.

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.

Results of Operations for Fiscal Years 2015, 2016 and 2017

The financial information of the Company in this Offering Circular is prepared and presented as follows: (i) with respect to Fiscal Years 2015 and 2016, it is prepared and presented in accordance with Indian GAAP on a consolidated basis; (ii) with respect to Fiscal Year 2016 only, it is prepared and presented in accordance with recognition and measurement principles of Ind AS on a consolidated basis, and (iii) with respect to Fiscal Year 2017, it is prepared and presented in accordance with Ind AS on a consolidated basis. For details regarding the reconciliation between the 2016 Indian GAAP Figures and the 2016 Ind AS Figures, see Note 47 to the consolidated Ind AS financial statements for Fiscal Year 2017.

The following table sets forth select financial data from our consolidated statement of profit and loss for Fiscal Years 2016 and 2017 prepared as per Ind AS, the components of which are also expressed as a percentage of total income for such periods.

Particulars	Fiscal Year 2016		2017	
	(Rs. in millions, except for percentages)			
Income				
Revenue from Operations	71,086.5	90.7%	84,393.5	89.0%
Other income	7,326.7	9.3%	10,401.1	11.0%
Total Income	**78,413.2**	**100.0%**	**94,794.6**	**100.0%**
Expenses				
Operating Expenses	18,353.0	23.4%	21,678.9	22.9%
Employee Benefits Expense	2,758.1	3.5%	3,831.4	4.0%
Depreciation and Amortisation Expenses	10,629.6	13.6%	11,601.9	12.2%
Foreign Exchange (Gain) / Loss (net)	503.0	0.6%	(2,774.4)	-2.9%
Finance Costs				
- Interest and Bank Charges	11,936.1	15.2%	12,812.4	13.5%
- Derivative (Gain)/Loss (net)	(693.1)	-0.9%	1,119.4	1.2%
Other Expenses	3,732.1	4.8%	4,736.3	5.0%
Total Expenses	**47,218.8**	**60.2%**	**53,005.9**	**55.9%**
Profit before share of profit of an associate and joint ventures and tax	**31,194.4**	**39.8%**	**41,788.7**	**44.1%**
Share of Profit from Associates / Joint Ventures	192.7	0.2%	92.6	0.1%
Profit before tax	**31,387.1**	**40.0%**	**41,881.3**	**44.2%**
Tax Expense				
Current Tax (including MAT)	7,299.6	9.3%	8,815.9	9.3%
Adjustment of tax relating to earlier periods	(2.7)	0.0%	1.3	0.0%
Deferred Tax Charge	1,667.2	2.1%	1,753.3	1.8%
MAT Credit Entitlement	(6,136.0)	-7.8%	(7,704.2)	-8.1%
Income tax expense	**2,828.1**	**3.6%**	**2,866.3**	**3.0%**
Net Profit	**28,559.0**	**36.4%**	**39,015.0**	**41.2%**
Attributable to:				
Equity holders of the parent	28,971.6	36.9%	39,115.2	41.3%
Non-controlling interests	(412.6)	-0.5%	(100.2)	-0.1%
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	(33.8)	-0.04%	50.1	0.1%
Income tax effect	11.7	0.0%	(16.1)	-0.0%
	(22.10)	-0.03%	34.00	0.04%

Particulars	Fiscal Year			
	2016		2017	
	(Rs. in millions, except for percentages)			
Net Gains on FVTOCI Equity Securities	231.6	0.3%	32.40	0.0%
Income tax effect	(39.7)	-0.1%	0.30	0.0%
	191.9	**0.2%**	**32.7**	**0.0%**
Total comprehensive income for the year, net of tax	**28,728.8**	**36.6%**	**39,081.7**	**41.2%**
Attributable to:				
Equity holders of the parent	**29,137.2**	37.2%	39,199.4	41.3%
Non-controlling interests	**(408.4)**	-0.6%	(117.7)	-0.1%

Total Income. Total income consists of net revenue from operations and other income.

- ***Revenue from Operations.*** Revenue from operations primarily consists of incomes from port operations (including related infrastructure), land lease, upfront premium and deferred infrastructure income (including annual income in respect of land finance leases), income from logistics services, income from development of container infrastructure and other operating income including construction and provision of utility services. Income from port operations (including port infrastructure services and export incentives) accounted for 78.6%, and 87.8% of revenue from operations for Fiscal Years 2016 and 2017, respectively.

- ***Other Income.*** Other income includes profit on dilution of investments, income from interest-bearing bank deposits and intercorporate deposits, dividend income, scrap sales, net profit on sale of fixed assets, net gains on foreign exchange variation and miscellaneous income. Other income as a percentage of our total income was 9.3% and 10.9%, for Fiscal Years 2016 and 2017, respectively.

Total Expenses. Total expenses consist of operating expenses, employee benefits expense, other expenses, finance costs and depreciation and amortisation expenses. Our total expenses as a percentage of our total income was 60.2% and 55.9% for Fiscal Years 2016 and 2017, respectively.

- ***Operating Expenses***. Operating expenses includes handling expenses, power and fuel costs, repairs cost of plant and machinery, railway operating charges, waterfront charges, revenue share paid to the respective port authorities, tug and pilotage charges, construction contract expenses, cargo freight and transportation expenses and maintenance dredging expenses. Operating expenses as a percentage of total income were 23.4% and 22.9% for Fiscal Years 2016 and 2017, respectively

- ***Employee Benefits Expense***. Employee benefits expense consists of salaries, wages and bonus paid to employees, contributions to provident and other funds for the benefit of our employees, gratuity, workmen and staff welfare expenses. Employee benefits expense as a percentage of total income was 3.5% and 4.0% for Fiscal Years 2016 and 2017, respectively.

- ***Other Expenses***. Other expenses include rent, rates and taxes, insurance expenses, advertisement and publicity costs, legal and professional expenses, corporate support service fees, donations/corporate social responsibility, travelling and conveyance expenses, other repairs and maintenance expenses, net loss on foreign exchange variation attributable to the effect of foreign exchange rate fluctuation on our non-Indian Rupee denominated credit and amortisation of the "Foreign Currency Monetary Item Translation Difference Account". Other expenses as a percentage of total income were 5.4% and 2.0% for Fiscal Years 2016 and 2017 respectively.

- ***Depreciation and Amortisation Expense***. Depreciation and amortisation expense relates to the depreciation of our tangible and intangible property, plant and equipment and other intangible assets. Depreciation and amortisation expense as a percentage of total income was 13.6% and 12.2% for Fiscal Years 2016 and 2017, respectively.

Finance Costs. Finance costs consist primarily of interest expense on debentures, fixed loans, buyers credit and other borrowings (net of finance costs capitalised to tangible property, plant and equipment on our consolidated balance sheet), bank and other finance charges, and net loss/(gain) on derivatives and swap contracts. Finance costs as a percentage of total income were 14.3% and 14.7% for Fiscal Years 2016 and 2017, respectively.

Tax Expense. Tax expense comprises current tax (including MAT), tax (credit) under Minimum Alternate Tax (MAT) and deferred tax and adjustment of tax relating to earlier periods.

Share of Minority Shareholders in (Profit)/Loss of Subsidiaries. The share of minority shareholders in profit or loss of Subsidiaries consists of the share of profit or loss of Adani Dahej, Adani Kandla, Adani Murmugao and MITAP attributable to minority shareholders of these entities.

The following table sets forth select financial data from our consolidated statement of profit and loss for Fiscal Years 2015 and 2016 prepared in accordance with Indian GAAP, the components of which are also expressed as a percentage of total revenue for such periods. Figures for Fiscal Years 2015 are based on amounts presented as comparatives in the consolidated financial statements for Fiscal Years 2016 prepared as per Indian GAAP.

	Fiscal Year			
	2015		2016	
	(Rs. in millions, except for percentages)			
Revenue from Operations (Net)	61,519.8	90.0%	72,557.3	91.4%
Other Income	6,856.4	10.0%	6,848.2	8.6%
Total Revenue	**68,376.2**	**100.0%**	**79,405.5**	**100.0%**
Expenses				
Operating Expenses	16,562.1	24.2%	17,918.1	22.6%
Employee Benefits Expense	2,371.6	3.5%	2,821.7	3.6%
Other Expenses	3,563.0	5.2%	5,312.3	6.7%
Depreciation and Amortisation Expenses	9,116.8	13.3%	10,794.4	13.6%
Finance Costs	11,750.6	17.2%	10,990.4	13.8%
Total Expenses	**43,364.1**	**63.4%**	**47,836.9**	**60.2%**
Profit from Ordinary Activities, before Taxation	**25,012.1**	**36.6%**	**31,568.6**	**39.8%**
Tax Expense				
Current Tax (including MAT)	5,392.0	7.9%	7,333.6	9.2%
MAT Credit Entitlement	(5,267.3)	(7.7)%	(6,136.0)	(7.7)%
Excess Provisions written back	(312.9)	(0.5)%	(2.7)	0.0%
Deferred Tax Charge	1,955.4	2.9%	2,074.3	2.6%
Profit after tax for the year	**23,244.9**	**34.0%**	**28,299.4**	**35.6%**
Add/(Less): Share of Minority Shareholders in (Profit)/Loss of Subsidiaries	(101.6)	(0.15)%	421.0	0.5%
Share of Loss from Associates	—	0.0%	(46.8)	(0.1%)
Net Profit	**23,143.3**	**33.9%**	**28,673.6**	**36.1%**

Total Revenue. Total revenue consists of net revenue from operations and other income.

- ***Revenue from Operations.*** Revenue from operations primarily consists of incomes from port operations (including related infrastructure), land lease, upfront premium and deferred infrastructure income (including annual income in respect of land finance leases), income from logistics services, income from development of container infrastructure and other operating income including construction and provision of utility services. Income from port operations (including related infrastructure) accounted for 82.6% and 75.3% of revenue from operations for Fiscal Years 2015 and 2016, respectively.

- ***Other Income.*** Other income includes profit on dilution of investments, income from interest-bearing bank deposits and intercorporate deposits, dividend income, scrap sales, net profit on sale of fixed assets, net gain on foreign exchange variation and miscellaneous income. Other income as a percentage of our total revenue was 10.0% and 8.6%, for Fiscal Years 2015 and 2016, respectively.

Total Expenses. Total expenses consist of operating expenses, employee benefits expense, other expenses, finance costs and depreciation and amortisation expenses. Our total expenses as a percentage of our total revenue was 63.4% and 60.2% for Fiscal Years 2015 and 2016, respectively.

- ***Operating Expenses.*** Operating expenses includes handling expenses, power and fuel costs, repairs cost of plant and machinery, railway operating charges, waterfront charges, revenue share paid to the respective port authorities, tug and pilotage charges, construction contract expenses, cargo freight and transportation expenses and maintenance dredging expenses. Operating expenses as a percentage of total revenue were 24.2% and 22.6% for Fiscal Years 2015 and 2016, respectively.

- ***Employee Benefits Expense.*** Employee benefits expense consists of salaries, wages and bonus paid to employees, contributions to provident and other funds for the benefit of our employees, gratuity, workmen and staff welfare expenses. Employee benefits expense as a percentage of total revenue was 3.5% and 3.6% for Fiscal Years 2015 and 2016, respectively.

- ***Other Expenses.*** Other expenses include rent, rates and taxes, insurance expenses, advertisement and publicity costs, legal and professional expenses, donations/corporate social responsibility, travelling and conveyance expenses, other repairs and maintenance expenses, net loss on foreign exchange variation attributable to the effect of foreign exchange rate fluctuation on our non-Indian Rupee denominated credit and amortisation of the "Foreign Currency Monetary Item Translation Difference Account". Other expenses as a percentage of total revenue were 5.2% and 6.7% for Fiscal Years 2015 and 2016 respectively.

- ***Depreciation and Amortisation Expense.*** Depreciation and amortisation expense relates to the depreciation of our tangible and intangible fixed assets. Depreciation and amortisation expense as a percentage of total revenue was 13.3% and 13.6% for Fiscal Years 2015 and 2016, respectively.

- ***Finance Costs.*** Finance costs consist primarily of interest expense on debentures, fixed loans, buyers credit and other borrowings (net of finance costs capitalised to tangible fixed assets on our consolidated balance sheet), bank and other finance charges, and net loss/(gain) on derivatives and swap contracts. Finance costs as a percentage of total revenue were 17.2%, and 13.8% for Fiscal Years 2015 and 2016, respectively.

Tax Expense. Tax expense comprises current tax (including MAT), MAT credit entitlement and deferred tax.

Share of Minority Shareholders in (Profit)/Loss of Subsidiaries. The share of minority shareholders in profit or loss of Subsidiaries consists of the share of profit or loss of Adani Dahej, Adani Kandla, Adani Murmugao and MITAP attributable to minority shareholders of these entities.

Share of Minority Shareholders in (Profit)/Loss of Associates. The share of minority shareholders in loss of Associates consists of the share of profit or loss of Dholera Infrastructure Pvt. Ltd.

Fiscal Year 2017 Compared to Fiscal Year 2016 (as per Ind AS)

Total Income. Total income increased by 20.9% to Rs. 94,794.6 million for Fiscal Year 2017 from Rs. 78,413.2 million for Fiscal Year 2016, primarily due to an increase in income from port operations.

Revenue from Operations. Revenue from operations increased by 18.7% to Rs. 84,393.5 million for Fiscal Year 2017 from Rs. 71,086.5 million for Fiscal Year 2016, primarily due to:

- An increase in income from port operations (including port infrastructure services and export incentives) of 32.6% to Rs. 74,092.5 million for Fiscal Year 2017 from Rs. 55,884.5 million for Fiscal Year 2016. The increase in income from port services, (including related port infrastructure services and export incentive) was primarily attributable to an increase in cargo volumes handled and export incentives accrued during the year.

- An increase in other operating income including construction, infrastructure development support services and related income of 95.1% to Rs. 120.0 million for Fiscal Year 2017 from Rs. 61.5 million for Fiscal Year 2016.

This increase was partially offset by a decrease in land lease, upfront premium and deferred infrastructure income of 61.9% to Rs. 3,136.5 million, for Fiscal Year 2017 from Rs. 8,238.6 million during Fiscal Year 2016, mainly due to a land lease payment income received from Solar Technopark Pvt. Ltd. with regards to the development of an electronic manufacturing cluster in the special economic zone at Mundra.

Other Income. Other income increased by 42.0% to Rs. 10,401.1 million for Fiscal Year 2017 from Rs.7,326.7 million for Fiscal Year 2016 mainly due to an increase in profit on sale of current investment (mutual funds) by 24.3% to Rs. 373.4 million for Fiscal Year 2017 from Rs. 300.5 million for Fiscal Year 2016 and an increase in interest income from bank deposits, receivables and interest-bearing intercorporate deposits by 37.4% to Rs. 8,673.8 million for Fiscal Year 2017 from Rs. 6,312.0 million for Fiscal Year 2016.

Total Expenses. Total expenses including operating expenses, employee benefit expenses, depreciation, finance cost and other expenses increased by 12.3% to Rs. 53,005.9 million for Fiscal Year 2017 from Rs. 47,218.8 million for Fiscal Year 2016.

Operating Expenses. Operating expenses increased by 18.1% to Rs. 21,678.9 million for Fiscal Year 2017 from Rs. 18,353.0 million for Fiscal Year 2016, primarily due to:

- An increase in cargo handling/other charges to contractors (net of reimbursement) 46.3% to Rs. 7,250.1 million for Fiscal Year 2017 from Rs. 4,955.5 million for Fiscal Year 2016 on account of cargo growth and operationalisation of new port terminals.

- An increase in railway service charges (net) of 52.4% to Rs. 4,174.7 million for Fiscal Year 2017 from Rs. 2,740.2 million for Fiscal Year 2016, due to changes in railway tariffs, as well as an increase in rail volumes.

- An increase in power and fuel expenses of 14.0% to Rs. 1,900.4 million for Fiscal Year 2017 from Rs. 1,667.5 million for Fiscal Year 2016.

- An increase in cargo freight and transportation expenses of 30.8% to Rs. 993.9 million for Fiscal Year 2017 from Rs. 759.8 million for Fiscal Year 2016 due to increases in cargo volumes handled.

This increase was partially offset by:

- A reduction in maintenance dredging expenses of 5.4% to Rs. 298.4 million in Fiscal Year 2017 from Rs. 315.5 million in Fiscal Year 2016, due to lower dredging expenses in Mundra.

- A reduction in repairs and maintenance expenses for plant and machinery of 77.8% to Rs. 268.7 million for Fiscal Year 2017 from Rs. 1,209.6 million for Fiscal Year 2016, due to the cyclical and inconsistent nature of repairs and maintenance required for various equipment.

Employee Benefits Expense. Employee benefits expense increased by 38.9% to Rs. 3,831.4 million for Fiscal Year 2017 from Rs. 2,758.1 million for Fiscal Year 2016, primarily due to an annual increase in salaries and an increase in the number of employees.

Other Expenses. Other expenses increased by 26.9% to Rs. 4,736.3 million for Fiscal Year 2017 from Rs. 3,732.1 million for Fiscal Year 2016, due to:

- An increase in advertisement and publicity of 1.3% to Rs. 153.9 million for Fiscal Year 2017 from Rs. 151.9 million for Fiscal Year 2016.

- An increase in other repairs and maintenance expenses of 3.6% to Rs. 449.0 million for Fiscal Year 2017 from Rs. 433.6 million for Fiscal Year 2016, due to the timing gap for various maintenance expenses.

- An increase in legal and professional expenses of 39.4% to Rs. 708.4 million for Fiscal Year 2017 from Rs. 508.1 million for Fiscal Year 2016.

- A decrease in security expenses of 21.2% to Rs. 72.9 million for Fiscal Year 2017 from Rs. 92.5 million for Fiscal Year 2016, due to savings from the deployment of electronic surveillance systems.

Foreign Exchange (Gain) / Loss (net). A decrease in loss on foreign exchange variation (net) of 651.6% to gains of Rs. 2,774.4 million for Fiscal Year 2017 from losses of Rs. 503.0 million for Fiscal Year 2016, mainly on account of wide fluctuations in the U.S. Dollar exchange rate.

Depreciation and Amortisation Expense. Depreciation and amortisation expense increased by 9.1% to Rs. 11,601.9 million for Fiscal Year 2017 from Rs. 10,629.6 million for Fiscal Year 2016, primarily due to the addition of new assets and ports such as Dhamra Port, Vizag Port and Ennore Port, as well as Kandla Port starting operations.

Finance Costs. Finance costs decreased by 23.9% to Rs. 13,931.8 million for Fiscal Year 2017 from Rs. 11,243.0 million for Fiscal Year 2016, mainly due to mark to market loss on swaps and derivative transactions entered into by the company, reduction in bank and other finance changes, reduction in fixed loan interest offset by increasing interest on debenture.

Profit before Tax. As a result of the foregoing, profit from ordinary activities before tax increased by 34.0% to Rs. 41,788.7 million for Fiscal Year 2017 from Rs. 31,194.4 million for Fiscal Year 2016.

Tax Expense. Tax expense increased by 1.4% to Rs. 2,866.3 million for Fiscal Year 2017 from Rs. 2,828.1 million for Fiscal Year 2016, primarily due to:

- An increase in current tax by 20.8% to Rs. 8,815.9 million for Fiscal Year 2017 from Rs. 7,299.6 million for Fiscal Year 2016.

- An increase in deferred tax by 5.2% to Rs. 1,753.3 million for Fiscal Year 2017 from Rs. 1,667.2 million for Fiscal Year 2016.

- Increase in tax credit under MAT by 25.6% to Rs. 7,704.2 million Fiscal Year 2017 from Rs 6,136.0 million for Fiscal Year 2016.

Our effective tax rates (i.e. total tax expenses divided by profit before tax) were 6.9% and 9.1% for Fiscal Years 2017 and 2016, respectively.

Share of Non-Controlling Interest in Profit/Loss of Subsidiaries. The share of non-controlling interest in loss of our Subsidiaries was Rs. 100.2 million for Fiscal Year 2017, mainly on account of losses attributable to ports that was in their initial years of operations, as compared to the share of non-controlling interest in loss of our Subsidiaries of Rs. 412.6 million for Fiscal Year 2016.

Profit for the Year. As a result of the foregoing, profit for the year increased by 37.0% to Rs. 39,015.0 million for Fiscal Year 2017 from Rs. 28,559.0 million for Fiscal Year 2016. Our profit for the year as a percentage of total revenue was 41.2% for Fiscal Year 2017 as compared to 36.4% for Fiscal Year 2016.

Fiscal Year 2016 Compared to Fiscal Year 2015 (as per Indian GAAP)

Total Revenue. Total revenue increased by 16.1% to Rs. 79,405.5 million for Fiscal Year 2016 from Rs. 68,376.2 million for Fiscal Year 2015, primarily due to an increase in income from port services.

Revenue from Operations. Revenue from operations increased by 17.9% to Rs. 72,557.3 million for Fiscal Year 2016 from Rs. 61,519.8 million for Fiscal Year 2015, primarily due to:

- An increase in income from port services (including related infrastructure) of 7.6% to Rs. 54,671.2 million for Fiscal Year 2016 from Rs. 50,801.9 million for Fiscal Year 2015. The increase in income from port services (including related infrastructure) was primarily attributable to an increase in cargo volumes handled at Hazira Port and Dhamra Port as compared to the earlier period. In addition, the commencement of operations at Murmugao Port Terminal, Vizag Port Terminal and Kandla Port Terminal during Fiscal Year 2015 contributed to the increase in income from port services. The increase in cargo volumes handled was attributable to containers and crude cargo handled for Fiscal Year 2016.

- An increase in land lease, upfront premium and deferred infrastructure income of 838.7% to Rs. 8,123.4 million for Fiscal Year 2016 from Rs. 865.4 million for Fiscal Year 2015 mainly on account of the lease of land to Mundra Solar Technopark Pvt. Ltd. for development of Electronic Manufacture Cluster (EMC) at Mundra.

This increase was partially offset by a decrease in other operating income including construction, infrastructure development and support services and related income of 9.1% to Rs. 2,869.7 million during Fiscal Year 2016 from Rs. 3,158.0 million during Fiscal Year 2015, mainly due to the income occurred from the land lease to GSPC LNG Ltd during Fiscal Year 2015 partially offset by construction revenue related to EMC.

Other Income. Other income remained substantially the same, decreasing to Rs. 6,848.2 million for Fiscal Year 2016 from Rs. 6,856.4 million for Fiscal Year 2015, primarily due to:

- An increase in income from mutual funds to Rs. 300.5 million for Fiscal Year 2016 from Rs. 78.4 million for Fiscal Year 2015 due to the deployment of surplus funds.

- An increase in interest income from bank deposits and inter corporate deposits to Rs. 5,614.3 million for Fiscal Year 2016 from Rs. 5,093.2 million for Fiscal Year 2015, due to interest earned on interest bearing deposits.

- Offset by a decrease in unclaimed liabilities/excess provision written back to Rs. 138.5 million for Fiscal Year 2016 from Rs. 422.7 million for Fiscal Year 2015 and a decrease in interest income from customers to Rs. 590.4 million for Fiscal Year 2016 from Rs. 917.2 million for Fiscal Year 2015.

Total Expenses. Total expenses increased by 10.3% to Rs. 47,836.9 million for Fiscal Year 2016 from Rs. 43,364.1 million for Fiscal Year 2015, primarily as a result of increases in depreciation and amortisation expense, employee cost, administrative expenses, finance costs and operating expenses mainly on account of operationalisation of new ports of various locations.

Operating Expenses. Operating expenses increased by 8.2% to Rs. 17,918.1 million for Fiscal Year 2016 from Rs. 16,562.1 million for Fiscal Year 2015, primarily due to:

- An increase in cargo handling/other charges to sub-contractors (net of reimbursement) of 31.1% to Rs. 5,694.3 million for Fiscal Year 2016 from Rs. 4,340.2 million for Fiscal Year 2015 on account of the acquisition of Dhamra Port on 23 June 2014, operationalisation of Murmugao Port, Vizag Port and Kandla Port and terminal royalty expenses of new ports.

- An increase in customer claims of 44.9% to Rs. 162.3 million for Fiscal Year 2016 from Rs. 112.0 million for Fiscal Year 2015, due to increases in cargo volume handled and the change in cargo mix, which caused customer claims to increase in the ordinary course of business.

- An increase in other expenses including customs establishment charges of 283.9% to Rs. 172.0 million for Fiscal Year 2016 from Rs. 44.8 million for Fiscal Year 2015. This increase is mainly due to provision made for custom cost recovery charges.

- An increase in stores and spares consumed (net of reimbursement) of 14.6% to Rs. 1,331.2 million for Fiscal Year 2016 from Rs. 1,161.6 million for Fiscal Year 2015, due to increased volume and operationalisation of Murmugao Port, Vizag Port and Kandla Port.

- An increase in repairs to buildings of 12.0% to Rs. 154.3 million for Fiscal Year 2016 from Rs. 137.8 million for Fiscal Year 2015.

- An increase in cost of land leased/sub-leased to Rs. 60.9 million for Fiscal Year 2016 from Rs. 0.2 million for Fiscal Year 2015.

- An increase in repairs to plants and machinery of 7.1% to Rs. 519.9 million for Fiscal Year 2016 from Rs. 485.4 million for Fiscal Year 2015.

The increase was partially offset by:

- Reduction in maintenance of dredging channel expenses of 30.2% to Rs. 315.5 million in Fiscal Year 2016 from Rs. 451.7 million in Fiscal Year 2015.

- Reduction in construction contract expenses of 48.8% to Rs. 413.9 million in Fiscal Year 2016 from Rs. 807.9 million in Fiscal Year 2015, in line with the decrease in construction income.

Employee Benefits Expense. Employee benefits expense increased by 19.0% to Rs 2,821.7 million for Fiscal Year 2016 from Rs. 2,371.6 million for Fiscal Year 2015, primarily due to an annual increase in salaries and incentives of employees, the acquisition of Dhamra Port and the operationalisation of Vizag Port, Ennore Port and Kandla Port.

Other Expenses. Other expenses increased by 49.1% to Rs. 5,312.3 million for Fiscal Year 2016 from Rs. 3,563.0 million for Fiscal Year 2015, due to the acquisition of Dhamra Port and the operationalisation of Vizag Port, Ennore Port, and Kandla port, mainly on account of:

- An increase in rent expenses of 29.6% to Rs. 212.5 million for Fiscal Year 2016 from Rs. 164.0 million for Fiscal Year 2015.

- An increase in port management fees of 100% to Rs. 639.4 million for Fiscal Year 2016 from Rs. Nil million for Fiscal Year 2015 due to port management fees for acquisition of Kattupalli port operation.

- An increase in other repairs and maintenance expenses (net of reimbursement) of 25.6% to Rs. 319.6 million for Fiscal Year 2016 from Rs. 254.5 million for Fiscal Year 2015.

- An increase in legal and professional expenses of 16.1% to Rs. 737.8 million for Fiscal Year 2016 from Rs. 635.3 million for Fiscal Year 2015, mainly on account of corporate services and professional services received for rating and joint venture agreements.

- An increase in security expenses of 71.7% to Rs. 348.7 million for Fiscal Year 2016 from Rs. 203.1 million for Fiscal Year 2015, due to an increase in the number of operational ports.

- An increase in communication expenses of 97.9% to Rs. 67.1 million for Fiscal Year 2016 from Rs. 33.9 million for Fiscal Year 2015, due to an increase in the number of operational ports and manpower.

- An increase in travelling and conveyance of 31.8% to Rs. 251.6 million for Fiscal Year 2016 from Rs. 190.9 million for Fiscal Year 2015, due to an increase in the number of operational ports and geographical expansion of business.

- increase in charity and donations of 35% to Rs. 568.6 million for Fiscal Year 2016 from Rs. 421.2 million for Fiscal Year 2015 mainly on account for CSR obligation in accordance with the Companies Act.

- increase in miscellaneous expenses of 0.4% to Rs. 373.3 million for Fiscal Year 2016 from Rs. 371.8 million for Fiscal Year 2015.

- An increase in loss on foreign exchange variation (net) of 45.2% to Rs. 1,049.4 million for Fiscal Year 2016 from Rs. 722.5 million for Fiscal Year 2015, mainly on account of amortisation of the foreign currency monetary item translation difference account and fluctuations in the U.S. Dollar exchange rate between Rs. 66.26 in Fiscal Year 2016 and Rs. 62.50 in Fiscal Year 2015.

Depreciation and Amortisation Expense. Depreciation and amortisation expense increased by 18.4% to Rs. 10,794.4 million for Fiscal Year 2016 from Rs. 9,116.8 million for Fiscal Year 2015, primarily due to the addition of new assets and the operationalisation of Dhamra Port, Vizag Port, Ennore Port and Kandla Port.

Finance Costs. Finance costs decreased by 6.5% to Rs. 10,990.4 million for Fiscal Year 2016 from Rs. 11,750.6 million for Fiscal Year 2015, primarily due to reduction in average borrowing rate.

***Profit before* Tax**. As a result of the foregoing, profit before tax increased by 26.2% to Rs. 31,568.6 million for Fiscal Year 2016 from Rs. 25,012.1 million for Fiscal Year 2015.

Tax Expense. Tax expense increased by 85.0% to Rs. 3,269.2 million for Fiscal Year 2016 from Rs. 1,767.2 million for Fiscal Year 2015, primarily due to:

- An increase in current tax of 36.0% to Rs. 7,333.6 million for Fiscal Year 2016 from Rs. 5,392.0 million for Fiscal Year 2015.

- An increase in deferred tax of 6.1% to Rs. 2,074.3 million for Fiscal Year 2016 from Rs. 1,955.4 million for Fiscal Year 2015.

This increase in tax expense was partially offset by an increase in MAT credit entitlement of 16.5% to Rs. 6,136.0 million for Fiscal Year 2016 from Rs. 5,267.3 million for Fiscal Year 2015.

Our effective tax rates (i.e. total tax expenses divided by profit before tax) were 10% and 7.1% for Fiscal Years 2016 and 2015, respectively.

Share of Minority Shareholders in Profit/Loss of Subsidiaries. The share of minority shareholders in loss of our Subsidiaries was Rs. 421.0 million for Fiscal Year 2016, mainly on account of losses attributable to ports that were in their first year of operation, as compared to the share of minority shareholders in profit of our Subsidiaries of Rs. 101.6 million for Fiscal Year 2015.

Net Profit. As a result of the foregoing, net profit attributable to equity holders of the Company increased by 23.9% to Rs. 28,673.6 million for Fiscal Year 2016 from Rs. 23,143.3 million for Fiscal Year 2015. Our profit for the year attributable to equity holders of the Company as a percentage of total revenue was 36.1% for Fiscal Year 2016 as compared to 33.8% for Fiscal Year 2015.

Financial Condition, Liquidity and Capital Resources

We broadly define liquidity as our ability to generate sufficient funds from internal and external sources to meet our obligations and commitments. In addition, liquidity includes the ability to obtain appropriate equity and debt financing for our various projects. Liquidity cannot be considered separately from capital resources that consist of current or potentially available funds for use in achieving long-range business objectives and meeting debt service and other commitments.

We have historically financed our capital requirements primarily through cash generated from our operations, financing from banks and other financial institutions in the form of term loans and cash generated from the issuance of equity shares of our Company and the sale of investments. Our primary capital requirements have been capital expenditures to develop new facilities and expand and improve existing facilities and other capital expenditure and working capital requirements. We believe that we will have sufficient capital resources from our operations, net proceeds of the Offering and other financings from banks, financial institutions and other lenders to meet our capital requirements for at least the next 12 months.

Cash Flows

The table below summarises our cash flows for Fiscal Years 2015 and 2016 as per Indian GAAP:

	Fiscal Year	
Particulars	**2015**	**2016**
	Rs. in millions	
Statement of Operations Data:		
Net cash generated from operating activities	30,570.7	25,786.3
Net cash (used in) investing activities	(24,852.3)	(46,556.1)
Net cash (used in)/generated from financing activities	(2,365.3)	24,472.0
Net (decrease)/increase in cash and cash equivalents	3,353.1	3702.2
Cash and cash equivalents at start of year	1,501.7	4,854.9
Cash and Cash Equivalents on acquisition of Subsidiary	0.1	—
Cash and cash equivalents at close of year.	4,854.9	8,557.1

The table below summarises our cash flows for Fiscal Years 2016 and 2017, which are prepared as per Ind AS and accordingly not comparable with the cash flows for Fiscal Years 2015 and 2016 as per Indian GAAP.

	Fiscal Year	
Particulars	**2016**	**2017**
	Rs. in millions	
Statement of Operations Data:		
Net cash generated from operating activities	23,805.2	40,019.0
Net cash (used in) investing activities	(41,531.6)	(25,794.2)
Net cash (used in)/generated from financing activities	21,704.1	(13,247.1)
Net (decrease)/increase in cash and cash equivalents	3,977.7	977.7
Cash and cash equivalents at start of year	4,452.3	8,430.0
Cash and Cash Equivalents on acquisition of Subsidiary	—	102.6
Cash and cash equivalents at close of year.	8,430.0	9,510.3

Operating Activities

The changes in cash flows including the working capital were primarily attributable to the expansion of our business including the addition of assets at our Multi-purpose Terminal 3, development of the

south basin at Mundra, the development of the steel and timber handling yard, the doubling of the railway line at Mundra Port, and other ports becoming operational like Hazira Port, Dahej Port, acquisition of Dhamra Port and commissioning of the terminal at Murmugao Port, Vizag Port and Kandla port.

Fiscal Year 2017 (as per Ind AS)

Net cash generated from operating activities was Rs. 40,019.0 million for Fiscal Year 2017, mainly on account of (i) net profit before tax of Rs. 41,788.7 million, as adjusted primarily for finance costs, depreciation, unrealised derivative loss (gain), unrealised foreign exchange loss (gain) and finance income and (ii) working capital changes. Outflow working capital changes included an increase in inventory of Rs. 229.5 million, an increase in financial assets of Rs. 1,022.8 million, an increase in other assets of Rs. 13,833.1 million, a decrease in other financial liabilities of Rs. 623.9 million and net (paid) direct taxes of Rs. 7,232.8 million. Inflow working capital changes included a decrease in trade receivables of Rs. 328.3 million, an increase in provisions of Rs. 350.6 million, an increase in other liabilities of Rs. 1,564.3 million and an increase in trade payables of Rs. 596.3 million.

The changes in working capital were primarily attributable to the expansion of our business at Mundra Port, Hazira Port, Dahej Port, Dhamra Port and the commissioning of the terminals at Murmugao Port, Vizag Port and Kandla Port.

Fiscal Year 2016 (as per Ind AS)

Net cash generated from operating activities was Rs. 23,805.2 million for Fiscal Year 2016, mainly on account of (i) net profit before tax of Rs. 31,194.4 million, as adjusted primarily for finance costs, depreciation, unrealised derivative loss (gain), unrealised foreign exchange loss (gain) and finance income and (ii) working capital changes. Outflow working capital changes included an increase in inventory of Rs. 52.0 million, an increase in financial assets of Rs. 3,603.0 million, increase in other assets of Rs. 8,282.1 million, and net (paid) direct taxes of Rs. 7,415.6 million, a decrease in other liabilities of Rs. 952.0 million and an increase in trade receivables of Rs. 2,149.5 million.

Inflow working capital changes included an increase in provisions of Rs. 178.8 million, and an increase in trade payables of Rs. 428.3 million, and an increase in other financial liabilities of Rs. 340.0 million.

The changes in working capital were primarily attributable to the expansion of our business at Mundra Port, Hazira Port, Dahej Port, Dhamra Port and the commissioning of the terminals at Murmugao Port, Vizag Port and Kandla Port.

Fiscal Year 2015 (as per Indian GAAP)

Net cash generated from operating activities was Rs. 30,570.7 million for Fiscal Year 2015, mainly on account of (i) net profit before tax of Rs. 25,012.1 million, as adjusted primarily for finance costs, depreciation, unrealised derivative gain and interest income and (ii) working capital changes. Outflow working capital changes included an increase in inventory of Rs. 661.9 million, net (paid) direct taxes of Rs. 4,868.2 million, an increase in other assets of Rs. 3,487.1 million, a decrease in trade payables of Rs. 631.8 million and an increase in loans and advances of Rs. 823.4 million. Inflow working capital changes included a decrease in trade receivables of Rs. 534.1 million and an increase in other liabilities of Rs. 928.3 million.

The changes in working capital were primarily attributable to the expansion of our business at Mundra Port, Hazira Port, Dahej Port, Dhamra Port and the commissioning of the terminals at Murmugao Port, Vizag Port and Kandla Port.

Investing Activities

Fiscal Year 2017 (as per Ind AS)

Net cash used in investing was Rs. 25,794.2 million for Fiscal Year 2017, which was primarily due to (i) outflows of Rs. 36,875.1 million for the purchase of plant, property and equipment, Rs. 1,062.7 million of payments made for the acquisition of equity in Subsidiaries, Rs. 14,500.0 million for advances paid for the acquisition of business, Rs. 34,934.0 million of intercorporate deposits/loans given, deposits in fixed deposits of Rs. 5,078.8 million, short term investments in debentures/commercial paper of Rs. 8,944.9 million, and (ii) inflows of Rs. 7,569.5 million from refunds of deposits given against commitments, Rs. 54,375.5 million of intercorporate deposits and loans received back, advances received back of Rs. 2,500.0 million and Rs. 7,968.7 million from interest received.

Fiscal Year 2016 (as per Ind AS)

Net cash used in investing was Rs. 41,531.6 million for Fiscal Year 2016, which was primarily due to (i) outflows of Rs. 21,247.7 million for the purchase of plant, property and equipment, Rs. 9,145.0 million of deposits given against capital commitments, Rs. 48,208.1 million of intercorporate deposits/loans given, deposits in fixed deposits of Rs. 3,935.4 million, advances paid towards the acquisition of equity of Rs. 2,500.0 million, and (ii) inflows of Rs. 38,352.5 million of intercorporate deposits/loans received back and Rs. 5,530.6 million from interest received.

Fiscal Year 2015 (as per Indian GAAP)

Net cash used in investing was Rs. 24,852.3 million for Fiscal Year 2015, which was primarily due to (i) outflows of Rs. 18,010.2 million for the purchase of fixed assets including capital work in progress and capital advances, Rs. 22,426.9 million for payments/advances paid towards the acquisition of subsidiaries, Rs. 19,289.6 million for intercorporate deposits and loans given, and (ii) inflows of Rs. 21,212.8 million from intercorporate deposits/loans received back and Rs. 7,406.6 million from interest received.

Financing Activities

Fiscal Year 2017 (as per Ind AS)

Net cash used in financing activities was Rs. 13,247.1 million for Fiscal Year 2017, primarily due to (i) inflows of Rs. 119,875.8 million from the proceeds from long-term borrowings (including bond issue proceeds), proceeds from short term borrowings of Rs.209,755.4 million and (ii) outflows of Rs. 114,866.6 million for the repayment of long term borrowings including debentures, and Rs. 215,507.5 million for the repayment of short-term borrowings, and Rs. 10,875.3 million for interest and finance charges paid.

Fiscal Year 2016 (as per Ind AS)

Net cash generated from financing activities was Rs. 21,704.1 million for Fiscal Year 2016, primarily due to (i) inflows of Rs. 134,393.7 million from the proceeds from long-term borrowings (including

bond issue proceeds), the proceeds from short term borrowings of Rs. 161,808.2 million and (ii) outflows of Rs. 110,462.5 million for the repayment of long term borrowings including debentures, Rs. 142,908.7 million for the repayment of short-term borrowings and Rs. 12,326.9 million for interest and finance charges paid.

Fiscal Year 2015 (as per Indian GAAP)

Net cash used for financing activities was Rs. 2,365.3 million for Fiscal Year 2015, primarily due to (i) outflows of Rs. 47,084.5 million for payment of long-term borrowings, Rs. 5,966.0 million for payment of short-term borrowings, Rs. 12,002.2 million for payment of interest and finance charges and Rs. 2,420.9 million for payment of dividends including tax, and (ii) inflows of Rs. 51,055.4 million from receipts from long-term borrowings and Rs. 14,773.8 million from receipts from short-term borrowings.

Indebtedness (Excluding Corporate Guarantees)

As at 31 March 2017, our total borrowings (indebtedness (excluding corporate guarantees)) outstanding were Rs. 222,142.6 million on a consolidated basis. The total borrowings (indebtedness) as at 31 March 2017 consisted of long-term borrowings, current maturities of long-term borrowings and short-term borrowings. The borrowings include rupee loans, foreign currency loans, bonds, notes, debentures and liability component of preference shares. The following table shows the maturity profile of such indebtedness as at 31 March 2017:

Particulars	Total as at 31 March 2017	Due less than 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due more than 5 years
			(Rs. in millions)		
Secured Borrowings	83,721.5	7,326.7	34,736.5	10,802.7	30,855.6
Unsecured Borrowings	131,138.8	27,601.2	8,199.4	92,557.6	2,780.6
Total Borrowings (excluding Bills Discounted)	214,860.3	34,927.9	42,935.9	103,360.3	33,636.2
Customers' Bills Discounted (unsecured)	7,282.3	7,282.3	—	—	—
Total Borrowings (Indebtedness)	222,142.6	42,210.2	42,935.9	103,360.3	33,636.2

* Reference exchange rate:

Rs. 64.85 per U.S.$1.00
Rs. 69.29 per EUR1.00
Rs. 80.90 per GBP1.00
Rs. 0.58 per JPY 1.00

In comparison, the maturity profile of our indebtedness as on 31 March 2015 was as follows:

Particulars	Total as at 31 March 2015	Due less than 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due more than 5 years
			(Rs. in millions)		
Total Borrowings	177,312.5	38,814.7	38,858.3	72,868.1	26,771.4

The split of our borrowing as per Ind AS across rupee loans, foreign currency loans, US dollar bonds, rupee debentures, commercial papers, suppliers credit and others as on 31 March 2017 was as follows:

Particulars	Rs. in Million	Composition (%)
Rupee Loans	4,877.6	2.2%
Supplier's bills accepted under foreign currency letters of credit	13,858.5	6.2%
Supplier's credit	24.7	0.0%
Commercial Papers	25,314.2	11.4%
Foreign Currency Loans	40,177.1	18.1%
Debentures	55,538.9	25.0%
Foreign Currency Bonds	74,228.1	33.4%
Liability component of compound financial instrument — 0.01% Redeemable Preference Shares	841.2	0.4%
Customer's Bills Discounted	7,282.3	3.3%
Total Borrowings	**222,142.6**	**100.0%**

The split of our borrowing as per Indian GAAP across rupee loans, foreign currency loans, rupee debentures, commercial paper, buyers' credit and others as on 31 March 2015 was as follows:

Particulars	Rs in Million	Composition (%)
Rupee Loans	39,100.9	22.1%
Suppliers bills accepted under foreign currency letters of credit	5,733.2	3.2%
Commercial Papers	11,500.0	6.4%
Foreign Currency Loans	79,538.4	44.9%
Debentures	41,440.0	23.4%
Total Borrowings	**177,312.5**	**100.0%**

There are certain restrictive covenants in the agreements we have entered into with our lenders, including:

- Creation of security over existing and future assets of our port facilities.
- Incurrence of additional indebtedness.
- Making certain restricted payments.
- Prepaying any indebtedness prior to its maturity date.
- Investing in equity interests or purchasing assets, other than in ordinary course of our business, unless certain conditions are satisfied.
- Sale or other disposition of assets.
- Change or expansion in scope of business.
- Entering into certain corporate transactions such as reorganisations, amalgamations and mergers.
- Pledges over the shares of our Subsidiaries for financing of specific projects.

See "Risk Factors — Risks Related to Our Business - Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business and results of operations" and "Description of Material Indebtedness" for further details.

Contractual Obligations and Commercial Commitments

Our material contractual obligations, which consist of contracts (net of advances remaining) to be executed on capital account and not provided for and other capital commitments (and not including indebtedness) as at 31 March 2017 are set out below:

Particulars	As at 31 March 2017	Less than 1 year	Between 1 and 5 years	More than 5 years
	(Rs. in millions)		(Rs. in millions)	
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for. . .	35,926.4	14,470.7	21,455.7	0.0

Capital Expenditures

As at 31 March 2015, 2016 and 2017 our total capital work in progress was Rs. 12,755.5 million, Rs. 23,866.3 million and Rs. 45,139.7 million, respectively. Most of our capital expenditure was incurred in connection with the development of port facilities, including the purchase of machinery and equipment.

Contingent Liabilities

Our contingent liabilities as per Ind AS 37 as at 31 March 2017 are set out below:

Particulars	As at 31 March 2017
	(Rs. in millions)
Corporate guarantees given to banks and financial institutions against credit facilities availed by jointly controlled entities	7,722.5
Corporate guarantees given to banks for credit facility availed by the erstwhile Subsidiary company, MPPL	—(1)
The Company has disputed tax demand for assessment years 2008-09 to 2013-14. The management is reasonably confident that no liability will be devolved on the Company	—(2)
Bank guarantees and letter of credit outstanding against credit facilities availed by the Joint venture entities and other group company	2,672.1
Bank guarantees given to government authorities and bank (also includes DSRA bank guarantees given to bank on behalf of Subsidiaries and erstwhile Subsidiaries)	1,599.8
Various matters pending with customs and service tax authorities	1,277.1
Various matters pending with other authorities	250.0
Interest claims against Company not acknowledged as debts	15.0
Statutory claims not acknowledged as debts	4.6
Matters pending with Income tax authorities — Others	11.3
Civil suits filed by customers	9.4

Notes:

1. Our Company had initiated and recorded the divestment of its entire equity holding in AAPTHPL and entire redeemable preference shares holding in MPPL representing Australia Abbot Point Port operations to Abbot Point Port Holdings Pte Ltd, Singapore during Fiscal Year 2013. The transaction was recorded in accordance with the share purchase agreement entered into on 30 March 2013 including subsequent amendment thereto with a condition to have regulatory and lenders approvals. Our Company has all the approvals except in respect of approval from one of the lenders who has given specific line of credit to MPPL. Our Company has received the entire sale consideration except AUD 17.17 million as at 31 March 2017. Our Company also has outstanding corporate guarantee to lender of U.S.$ 800 million as at 31 March 2017 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 the lender. Outstanding loans against said corporate guarantee as on 31 March 2017 were U.S.$ 453.0 million. During Fiscal Year 2014, our Company received a corporate guarantee against above outstanding corporate guarantee from Abbot Point Port Holding Pte Limited, Singapore which is effective until discharge of the underlying liability.

2. Our Company earns interest income on funds lent to various parties. Our Company contends that such interest income is earned from existing and potential business associations and has concluded that such interest income has arisen from our Company's business activities and can be netted off with the interest expenditure which is incurred for business purposes while computing the deduction in accordance with the provisions of section 80IAB of the Income Tax Act. The management represents that the Company's tax assessments are completed until assessment year 2013-14 while pending appeals with the Appellate Tribunal for assessment year 2009-10 to 2011-12 and CIT (Appeals) for assessment years 2012-13 and 2013-14. The income tax authorities have filed an appeal with the Income Tax Appellate Tribunal in the matter as regards netting off interest income with interest expenditure. The Company has received a favourable order from the Appellate Tribunal for assessment year 2008-09.

   Considering the representation of facts in the matter made by the Company, the CIT (Appeals) order upholding the claims of our Company for the earlier years, and based on an expert's advice, the management does not expect the tax liabilities to crystallise on certain interest income earned during the subsequent Fiscal Years up to 31 March 2017, and accordingly no provision is required for income tax on such income. Based on this, our Company has accounted higher MAT credit of Rs. 1,012.5 million and Rs. 1,039.0 million for Fiscal Years 2017 and 2016, respectively. The aggregate higher MAT credit entitlement of Rs. 3,421.1 million as at 31 March 2017 has been accounted for in the books of our Company.

Related Party Transactions

We have in the past engaged, and in the future may engage, in transactions with related parties, including with our affiliates. Such transactions (which include unsecured intercorporate deposits and corporate guarantees given on behalf of our Subsidiaries and joint ventures) could be for, among other things, rendering of port services, handling services, purchase of goods and assets, interest bearing loans and advances, rent or lease of certain properties, sale and purchase of machinery, products or raw materials, dividends, remuneration.

Below are the details of the transaction with some of the related parties as per Indian Accounting Standard 24, Related Party Disclosures for Fiscal Year 2017.

We recorded income from port services/other operating income:

- Rs. 3,048.3 million for rendering of services to Adani Enterprises Limited.
- Rs. 5,267.8 million for rendering of services to Adani Power Limited.
- Rs. 926.5 million for rendering of services to Adani Power Rajasthan Limited.
- Rs. 620.6 million for rendering of services to Adani Wilmar Limited.

- Rs. 293.2 million for rendering of services to Adani Bunkering Private Limited.

Below are the details of the transaction with some of the related parties as per Accounting Standard 18, Related Party Disclosures for Fiscal Year 2016.

We recorded income from port services/other operating income:

- Rs. 3,851.6 million for rendering of services to Adani Enterprises Limited.
- Rs. 5,197.3 million for rendering of services to Adani Power Limited.
- Rs. 1,281.3 million for rendering of services to Adani Power Maharashtra Limited.
- Rs. 1,293.2 million for rendering of services to Adani Power Rajasthan Limited.
- Rs. 581.9 million for rendering of services to Adani Wilmar Limited.
- Rs. 255.5 million for rendering of services to Adani Bunkering Private Limited
- Rs. 4,231.5 million for lease and infrastructure usage income/upfront premium from Adani Solar Technopark Private Limited.

Below are the details of the transaction with some of the related parties as per Accounting Standard 18, Related Party Disclosures for Fiscal Year 2015.

We recorded income from port services/other operating income:

- Rs. 3,525.8 million for rendering of services to Adani Enterprises Limited.
- Rs. 5,304.7 million for rendering of services to Adani Power Limited.
- Rs. 1,002.7 million for rendering of services to Adani Power Maharashtra Limited.
- Rs. 1,001.3 million for rendering of services to Adani Power Rajasthan Limited.
- Rs. 387.0 million for rendering of services to Adani Wilmar Limited.

We recorded costs of:

- Rs. 1,142.2 million for purchase of assets from Adani Power Dahej Limited.
- Rs. 1,131.1 million for purchase of fuel from Adani Bunkering Private Limited.

Our registered and corporate office is located at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009. We have entered into a leave and licence agreement, recently extended for a period of 36 months with effect from September 21, 2016, with Adani Enterprises Limited to use this property.

We believe each of the arrangements listed above has been entered into on arm's length terms, or on terms that we believe are at least as favourable to us as similar transactions with unrelated parties.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodities risk. We are exposed to exchange rate risk, interest rate risk, commodity risk, credit risk and inflation risk in the normal course of our business.

Exchange Rate Risk

We face exchange rate risk because certain of our obligations, revenue and assets are denominated in foreign currencies. To manage exchange rate risk, we enter into forward and swap contracts with various counterparties for U.S. Dollar, Euro and Japanese Yen ("JPY"). Details of outstanding positions under our forward and swap contracts as at 31 March 2017 are set out below:

Nature of Instrument (in millions)	As at 31 March 2017
Forward Contract sold against future billing	U.S.$190.40
Forward Contract for foreign currency borrowing principal and interest liability	U.S.$97.75
Forward Contract for foreign currency borrowing principal and interest liability	EUR106.08
Forward Contract for Hedging foreign currency borrowing principal and interest liability	U.S.$9.0
Forward Contract for Hedging foreign currency borrowing principal and interest liability	EUR0.58

While we believe that our forward contracts might protect us against certain short-term swings in the Indian Rupee-U.S. Dollar, Indian Rupee-Euro and Indian Rupee-Japanese Yen exchange rates, there can be no assurance that they will fully mitigate any adverse movements in exchange rates. Details of our foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31 March 2017 are set out below:

Denominated Currency	As at 31 March 2017
	(Rs. in millions)
Foreign Currency Loans	
U.S. Dollar	32,128.1
Euro	2,435.1
Japanese Yen	123.1
Foreign currency Bond	
U.S. Dollar	67,354.8
Buyer's Credit	
U.S. Dollar	6,103.0
Euro	160.7
Trade Payables	
U.S. Dollar	131.1
Euro	40.4
Japanese Yen	28.4
AUD	0.4
SGD	0.4
GBP	0.4
Other Current Liabilities	
U.S. Dollar	1,575.7
Euro	21.5
Interest Accrued but Not Due	
U.S. Dollar	41.2
Euro	9.6
Japanese Yen	1.1
Other Receivable	
Australian Dollar	851.3

Interest Rate Risk

We are subject to interest rate risk, primarily because some of our borrowings and our deposits of cash and cash equivalents with banks and other financial institutions are at floating interest rates. As at 31 March 2017, 22.5% of our indebtedness consisted of floating rate indebtedness.

To manage interest rate risk, from time to time we enter into swap contracts with various counterparties to protect against the volatility of interest rates of our outstanding indebtedness. Details of our interest rate swap contracts are set out below as at 31 March 2017:

Nature of Instrument	Currency (millions)	As at 31 March 2017
Interest rate swap — fixed rate to variable	U.S.$	175.0
Foreign Currency Swap — Rupee full currency swap	U.S.$	146.4

Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the various central banks, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of servicing existing and new debts, which adversely affects our results of operations.

Commodity Risk

We are exposed to market risk with respect to the prices of raw material cargo we handle, particularly coal and crude oil cargo. The prices of such raw materials are subject to fluctuation based on commodity prices, which may affect the volumes of such cargo handled.

Credit Risk

We are exposed to credit risk on trade receivables from customers and other counterparties. We try to control our credit risk by assessing the credit quality of our customers, taking into account their financial position, past experience and other factors.

Inflation Risk

India has experienced high inflation in recent years, which has contributed to an increase in interest rates, adversely affecting both sales and margins.

The table below shows wholesale price index of India for the years indicated:

Wholesale Price Index	2014	2015	2016	2017
India	112.5	113.9	109.07	111.6

Source: Office of Economic Advisor Government of India.

Seasonality of Business

Our results of operations do not generally exhibit seasonality.

INDUSTRY OVERVIEW

*In this section, we have included data relating to the port industry, both internationally and within India, and other statistics. This information is based on industry publications, published sources and other publicly available information, as well as beliefs of our management. We believe that the sources used are reliable; however, we cannot ensure the accuracy or completeness of underlying assumptions of this information, and none of our Company, the Joint Bookrunners, the Trustee, the Agents or any other person connected with the Offering has independently verified this information. The industry information included in this section may moreover be prepared as at specific dates and may no longer be current or reflect current trends, or based on estimates, projections, forecasts and assumptions that may prove to be incorrect. Investors should not place undue reliance on this industry information. Unless noted otherwise, the information in this section is derived from the "Update on Indian Port Sector (Up to 30 September 2016), Ministry of Shipping" ("**Update on Indian Port Sector 2016**") dated December 2016, by the Transport Research Wing, Ministry of Shipping of the Government of India. Fiscal Year 2016 and 2017 (half and full year) traffic, capacity, utilisation and operating performance figures (turnaround time and output per ship berth day) reflected are provisional figures. Additionally, amounts of petroleum, oil and lube ("**POL**") cargo volume handled include crude oil cargo. In the other sections of this Offering Circular, amounts of POL cargo volume handled exclude crude oil cargo.*

Indian Port Industry

India is the world's largest democracy by population size and had a nominal GDP of approximately U.S.$2.3 trillion in 2016 and was the fourth largest economy in the world after the United States, China and the European Union by purchasing power parity in 2015, according to the International Monetary Fund and The World Bank. Average GDP growth in India between Fiscal Year 2006 and Fiscal Year 2016 was 7.6%. According to the Reserve Bank of India, GVA is forecast to grow at 6.7% and 7.3% in Fiscal Years 2017 and 2018, respectively (GVA is the metric now used instead of GDP at factor cost by the Ministry of Statistics and Programme Implementation Government of India in press releases). Additionally, GDP growth in India is expected to reach 6.8% in Fiscal Year 2017, 7.2% in Fiscal Year 2018 and is projected to gradually increase to 7.7% in Fiscal Year 2020, according to a World Bank Press Release from May 2017.

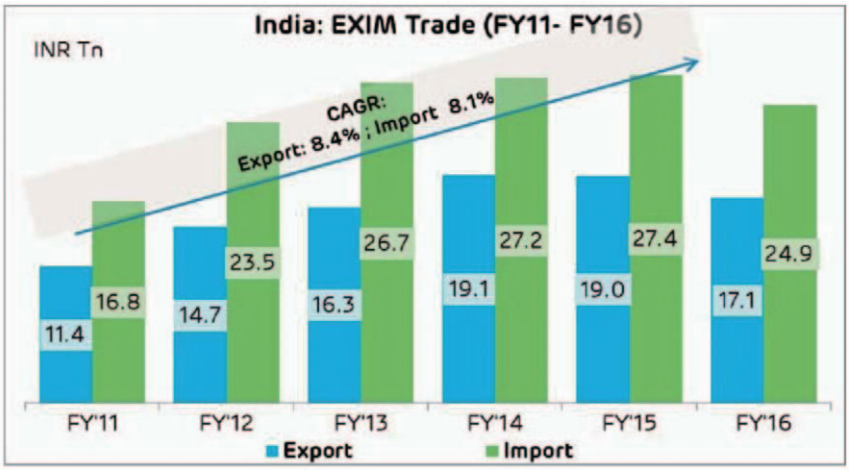
According to the Indian Ports Association and the Ministry of Shipping, India has an extensive coastline of 7,517 kilometres (excluding the Andaman and Nicobar Islands) with a port industry that has grown dramatically, from five ports handling cargo traffic tonnage of around 20 mmtpa at the time of independence, to the current 12 ports (there are officially 13 major ports with the inclusion of Port Blair in 2010 but only 12 major ports within mainland India) which fall under the jurisdiction of the Central Government and are governed by policies and directives of the Ministry of Shipping of the Government of India ("**Major Ports**"). There are also approximately 200 non-major ports which fall under the state governments' jurisdiction and are governed by policy and directives or respective state governments' departments or agencies ("**Non-major Ports**"). Major Ports and Non-major Ports handled a combined total cargo traffic tonnage of 1,072.5 mmt in Fiscal Year 2016, and 837 mmt of total cargo traffic tonnage was handled in the first nine months of Fiscal Year 2017, growing by 4.6% over the corresponding period of the previous year.

According to the Ministry of Shipping, ports handle approximately 90% of India's total trade in terms of volume and 70% in terms of value. According to the Ministry of Shipping and the Reserve Bank

of India, total volumes are expected to increase further as India continues its economic expansion, with real GVA growth in India expected to average 7.7% and 8.0% per year for the five and 10 years from Fiscal Year 2017, respectively, making India one of the fastest growing economies in the world.

According to the Indian Ports Association and Ministry of Road Transport and Highways, total cargo volume handled at Indian Ports (Major Ports and Non-major Ports) was 574 mmt, 850 mmt and 1,072 mmt in Fiscal Years 2006, 2010 and 2016, respectively, growing at a CAGR of 4.0% between Fiscal Years 2010 and 2016 and 6.5% between Fiscal Years 2006 and 2016. Further, total cargo handled at Indian ports is expected to grow at a CAGR of 8.1% over Fiscal Years 2016 and 2025.

According to the Ministry of Commerce & Industry, in terms of value, the value of imports to, and exports from, India increased at a CAGR of 8.1% and 8.4% between Fiscal Years 2011 and 2016, respectively.



(Source: Handbook of Statistics on Indian Economy, published by RBI. Data for Fiscal Year 2016 is provisional)

Major Ports and Non-major Ports

According to the Ministry of Shipping, Indian ports are classified as either "Major Ports" or "Non-Major Ports", a distinction rooted in the level of control and governance of the port, not the capacity or cargo traffic. There are 12 Major Ports and approximately 200 Non-Major Ports across India. According to the India Brand Equity Foundation, Major Ports are under the jurisdiction of the Government of India and are governed by the Major Port Trusts Act, 1963; except Ennore Port which is administered under the Companies Act, 1956. Major Ports are typically ports with a combination of dedicated bulk terminals, specialised container terminals and general cargo berths; Non-Major Ports are regulated by the respective state governments and are typically privately-run commercial ports, which provide ports and related services for various types of cargo including bulk, containers and crude, or captive ports for certain business (which does not serve third parties or commercial cargo).

The following map shows the location of Major Ports and some of the Non-Major Ports in India:

(Source: Transport Research Wing, Ministry of Shipping, Government of India.)

Ports have increasingly attracted private sector investment, including terminal investments. Private sector investment has also been encouraged by significant developments in the regulatory environment for Non-major Ports, including proactive policies of state maritime boards, especially in Gujarat, Andhra Pradesh, Odisha, Tamil Nadu and Maharashtra. The government of Gujarat in particular has been formulating proactive policies to develop Non-major Ports on a public-private basis, the most prominent of which are private commercial ports like Mundra Port, Hazira Port, Dahej Port and the Pipavav Port, and captive ports like the Sikka Port.

Port Development in India

Port and terminal development activities by private sector participation have been carried out through three models of development: greenfield projects, brownfield projects and terminal development.

- **Greenfield port** development involves developing a port without any existing port, storage or evacuation infrastructure. Greenfield port development requires the developer to obtain new approvals, sanctions and statutory clearances.

- **Brownfield port** development involves developing a port where certain infrastructure exists. For example, a port developer may receive a concession to develop LNG and bulk cargo port terminals, but then enters into a sub-concession agreement with a third party to develop the bulk cargo port terminal. The third party would be undertaking a brownfield port development.

- **Terminal development** involves developing cargo handling terminals via public-private participation, whereby the developer develops only a terminal, back-up area and internal connectivity. Basic support infrastructure, like marine infrastructure and other associated amenities, and evacuation infrastructure, such as rail and road, already exists and need not be developed.

Sagarmala Initiative

The Sagarmala Project is an initiative of the Government of India launched in March 2015 to promote port-led direct and indirect development and to provide infrastructure to transport goods to and from ports quickly, efficiently and cost-effectively. The Sagarmala Project aims to develop access to new development regions with intermodal solutions and to promote an optimum modal split (between pipelines, inland waterways, coastal waterways, rail and road) and enhance connectivity with main economic centres through the expansion of inland waterways, coastal waterways, rail and road services.

The Sagarmala initiative will address challenges by focusing on three pillars of development:

- Supporting and enabling port-led development through appropriate policies and institutional interventions and providing an institutional framework to ensure inter-governmental collaboration for integrated development

- Port infrastructure enhancement, including the modernisation of existing ports and the construction of new ports; and

- Efficient evacuation to and from the hinterland.

As part of the Sagarmala project, the Government of India has identified coastal shipping as an opportunity to drive GDP growth by providing support for crucial industries that are dependent on ports, such as coal, petroleum, oil and steel. In addition, the container segment provides a significant opportunity for the development of additional port infrastructure in order to address capacity constraints and capitalise on transshipment trends.

Coastal Shipping

India has a coastline spanning over 7,500 km, with 12 major and 200 Non-major Ports across the coastline. In spite of the large coastline and number of navigable inland waterways, coastal shipping only accounts for 6.5% of shipping traffic by volume, compared to 30.0% by rail and 57.0% by road. In comparison, the modal share of inland waterways in the movement of domestic traffic is higher for other large economies such as China (47.0%), the United States (12.4%) and Japan (34.0%). Coastal shipping also acts as an enabler for development as witnessed in developed regions such as Europe and China.

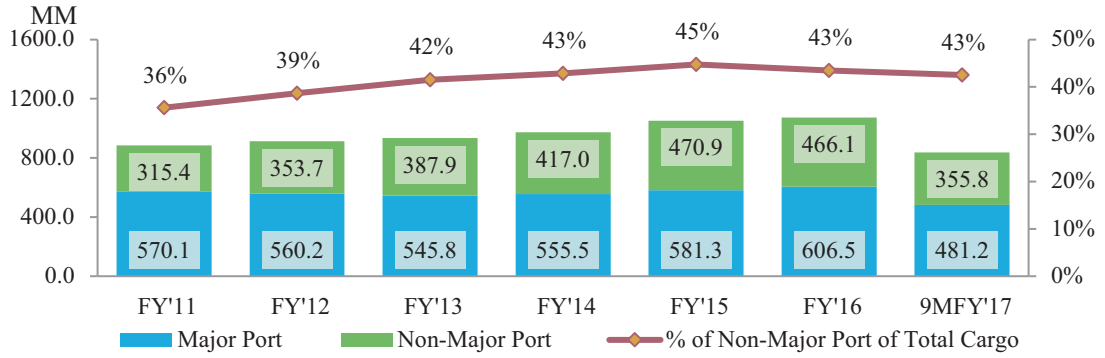
Traditionally, the west coast ports of India have handled industrial and finished products along with petroleum products, while the east coast ports have handled bulk and mineral products. However, eastern ports and inland waterways are expected to gain increased significance through port modernisation and enhanced connectivity and as trade patterns change. Currently in India, coastal shipping primarily handles petroleum, oil and lubricants, coal and iron ore, which together account for approximately 83% of overall coastal movements.

Shipping traffic in India is primarily dominated by roads and railways. However, neither roads nor railways are the most efficient modes of transport for bulk, liquid and other cargo.

Cargo Traffic at Indian Ports

According to research from the Ministry of Road Transport and Highways of the Government of India, Indian ports handled 1,072.5 mmt cargo in Fiscal Year 2016, reflecting a CAGR of 3.9% compared to 885.5 mmt of cargo in 2011. Cargo traffic tonnage handled at Major Ports increased to 606.4 mmt in Fiscal Year 2016 from 570.1 mmt in Fiscal Year 2011 by a CAGR of 1.2%. During the same period, Non-major Ports increased by a CAGR of 8.1% handling 466.1 mmt of cargo in Fiscal Year 2016 compared to 315.4 mmt in Fiscal Year 2011. More recently, Indian ports handled 837 mmt of cargo in the first nine months of Fiscal Year 2017 , representing a 4.6% increase over the corresponding period of the previous year. The cargo traffic tonnage handled at Major and Non-major Ports is set out below for the periods indicated:

Indis Ports: Cargo handled (FY11-9MFY17)



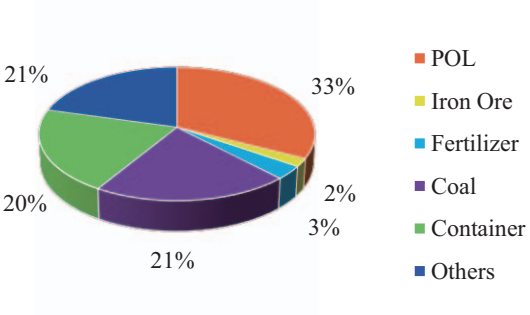
(Source: Update on Indian Port Sector 2017)

Cargo Traffic at Major Ports

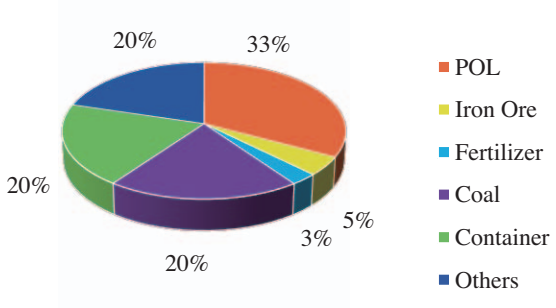
Cargo traffic at Major Ports consists primarily of petroleum, oil (including crude oil) and lubricants (collectively "**POL**"), container, iron ore and coal cargo. During the first nine months of Fiscal Year 2017, 12 Major Ports handled 481.2 mmt of traffic as compared to 447.4 mmt over the corresponding period of the previous year.

The percentages of each cargo handled at Major Ports for Fiscal Year 2016 and the first nine months of Fiscal Years 2016 and 2017 is set out below:

1H2015 - 2016 (MMT) (Apr 15 - Sep 15)



1H2016 - 2017 (MMT) (Apr 16-Sep 16)



(Source: Update on Indian Port Sector 2016)

Details of cargo handled at Major Ports are set out below for the periods indicated:

Major Port (in mmt)	2011	2012	2013	2014	2015	2016	1H 2015-16	9M 2017	2011-16 CAGR
						(in mmt)			
East Coast									
Kolkata[1]									
Kolkata DS	12.5	12.2	11.8	12.9	15.3	16.7	8.5	11.7	6.0%
Haldia DC	35.0	31.0	28.1	28.5	31.0	33.5	17.2	24.8	(0.9%)
Paradip	56.0	54.3	56.6	68.0	71.0	76.4	36.1	64.9	6.4%
Visakhapatnam	68.0	67.4	59.0	58.5	58.0	57.0	27.6	46.0	(2.4%)
Kamarajar	11.0	15.0	17.9	27.3	30.3	32.2	16.0	22.2	23.9%
Chennai	61.5	55.7	53.4	51.1	52.5	50.1	25.8	38.0	(4.0%)
V.O. Chidambaranar[2]	25.7	28.1	28.3	28.6	32.4	36.8	18.7	29.0	7.4%
Total:	**269.8**	**263.7**	**255.1**	**275.0**	**290.5**	**302.7**	**149.9**	**236.5**	**2.3%**
West Coast									
Cochin	17.9	20.1	19.8	20.9	21.6	22.1	11.3	18.2	4.3%
New Mangalore	31.6	32.9	37.0	39.4	36.6	35.6	16.9	29.1	2.4%
Murmugao	50.1	39.0	17.7	11.7	14.7	20.8	8.1	22.6	(16.1%)
Mumbai	54.6	56.2	58.0	59.2	61.7	61.1	31.1	47.7	2.3%
J.N.P.T.[3]	64.3	65.7	64.5	62.3	63.8	64.0	32.2	46.2	(0.1%)
Kandla	81.9	82.5	93.6	87.0	92.5	100.1	50.4	81.0	4.1%
Total:	**300.3**	**296.5**	**290.8**	**280.5**	**290.8**	**303.6**	**150.1**	**244.7**	**0.2%**
Total:	**570.1**	**560.2**	**545.8**	**555.5**	**581.3**	**606.4**	**300.0**	**481.2**	**1.2%**

(Source: Update on Indian Port Sector 2017 and Update on Indian Port Sector (Up to 31 March 2017))

Notes:

(1) Kolkata includes Kolkata Dock System and Haldia Dock Complex.

(2) V.O. Chidambaranar was previously named Tuticorin.

(3) J.N.P.T. stands for Jawaharlal Nehru Port.

(4) Provisional

Non Major ports handled around 43% of the total maritime freight traffic of the country during the first nine months of Fiscal Year 2017. Gujarat accounted for approximately 75.0% of the total traffic handled by Non-major ports followed by Andhra Pradesh (14%) and Maharashtra (7%). Three maritime states namely Gujarat, Maharashtra and Andhra Pradesh together accounted for close to 93% of the total estimated traffic by the non-major ports in the current year i.e. during the first nine months of Fiscal Year 2017.

Cargo Traffic at Non-major Ports

Total traffic at Non-major Ports is set out below by state for the periods indicated:

	Fiscal Year								
State of Non-major Ports (in mmt)	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**1H 2015-16**	**1H 2016-17**	**2011-16 CAGR**
Gujarat	230.9	259.1	287.8	309.9	336.1	339.8	166.4	168.6	8.0%
Maharashtra	14.9	19.9	24.2	24.7	27.3	28.8	12.3	15.6	14.1%
Andhra Pradesh	43.3	45.6	51.8	58.7	83.4	72.7	33.1	32.9	10.9%
Goa	14.6	14.5	3.4	0.3	0.8	0.4	0.0	0.5	(51.3%)
Other States/UT	13.7	14.6	20.7	23.4	23.3	24.3	11.3	16.7	15.7%
All:	**315.4**	**353.7**	**387.9**	**417.0**	**470.9**	**466.1**	**223.3**	**234.3**	**8.1%**

(Source: Update on Indian Port Sector 2017, Update on Indian Port Sector (Up to March 2017))

Note:

(1) Other States/UT includes Karnataka and Tamil Nadu

Projected Cargo Traffic

The Maritime Agenda 2010-2020 projected traffic and capacity numbers for Fiscal Years 2012, 2017 and 2020. However, the actual traffic and capacity numbers for Fiscal Year 2012 lagged behind the projections, as set out below:

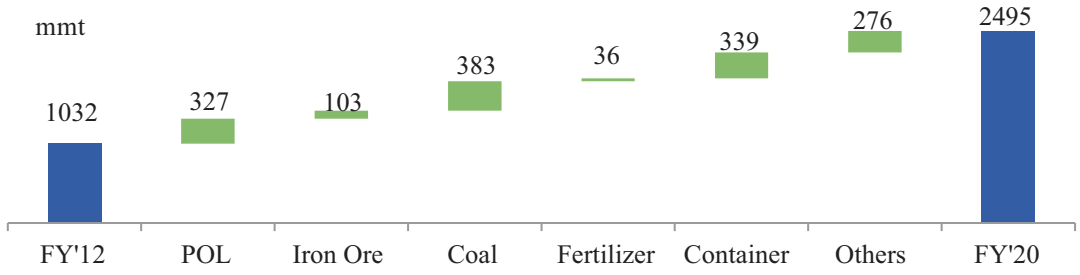
	Projected Traffic	Actual Traffic	Short-fall	Projected Traffic	Projected Capacity	Actual Capacity	Short-fall	Capacity
	2012	2012		2020	2012	2012		2020
					(in mmt)			
Major Ports	629.6	560.2	69.5	1,214.8	741.4	689.8	51.5	1,459.5
Non-major Ports	402.5	353.7	48.8	1,280.1	498.7	483.1	15.6	1,670.5
Total	**1,032.1**	**913.9**	**118.2**	**2,494.9**	**1,240.0**	**1,172.9**	**67.1**	**3,130.0**

(Source: Indian Ports Association)

Note: Actual cargo traffic and capacity figures are derived from "Update on Indian Port Sector" dated 30 September 2016 and 30 September 2012, by the Transport Research Wing, Ministry of Shipping, Government of India and Ministry of Shipping Annual Report 2016-17. Projected cargo traffic and capacity figures are derived from the Maritime Agenda 2010-2020.

According to the Ministry of Shipping, the fact that actual traffic and capacity have lagged behind projected traffic and capacity may present opportunities for port developers in India to enable them to capitalise on pent-up demand. Cargo traffic handled at ports in India is projected to increase to 2,019 mmt and 2,495 mmt for Fiscal Years 2017 and 2020, respectively, from a projected 1,032 mmt for Fiscal Year 2012. These increases in cargo traffic handled are expected to be accommodated by increases in cargo handling capacities.

Increases in projected cargo traffic handled are expected to be attributable primarily to increases in coal and container cargo traffic handled, as set out below through Fiscal Year 2020:



(Source: Maritime Agenda 2010-2020)

Note:

(1) 1,032 mmt was the projected cargo volume handled for Fiscal Year 2012. The actual cargo volume handled was 914 mmt.

These projections reflect continued containerisation of cargo and continued demand for fuel for the energy sector. According to the Ministry of Shipping, the pace of containerisation in India is expected to continue, with the annual volume of container cargo handled expected to increase from 148 mmt to 486 mmt between Fiscal Years 2012 and 2020.

Operating Characteristics of the Major Ports of India

Historically, Major Ports have generally had inadequate capacity resulting in part from expansion constraints and compounded further by operating inefficiencies, which led to overutilisation (in absolute terms) of existing facilities. Major Ports also suffered from inadequate facilities, supplies and processes, including in berth layout, maintenance, equipment, labour, logistics and land transport. For example, railways lacked the necessary equipment and structure to ensure a steady flow of container traffic, concentrating instead primarily on bulk cargo. Inadequate road linkage also impeded the flow of cargo to Major Ports.

As a result of these constraints, the operating performance of major Indian ports has typically lagged behind that of its foreign counterparts. Even with considerable recent advances in developing infrastructure and processes, average turnaround time across Major Ports varied between 3.65 and 5.29 days between Fiscal Years 2007 and 2011 (*Source: Basic Port Statistics 2009-10 and Update on Indian Port Sector 2016*). As a result of these inefficiencies, other ports have emerged as regional hubs for cargo and ship repair, such as Colombo, Dubai, Singapore and Bahrain, from which cargo is transhipped to ports in India, resulting in additional costs and longer transit times.

However, in recent years, port infrastructure within India has grown significantly through the influx of additional investment. Capacity additions through established private port operators such as CMA CGM (Mundra), PSA (J.N.P.T) and Terminal Investment Limited (Mundra) have paved the way for bigger ports with more efficient services. As such, average turnaround time at Major Ports has declined consistently from 5.29 days in Fiscal Year 2011 to 3.63 days in Fiscal Year 2016. In the first half of Fiscal Year 2017, average turnaround time for Major Ports was 3.66, an improvement as compared to the corresponding period during the previous Fiscal Year turnaround time of 3.84.

The following table provides the projected key operating performance indicators for Major Ports for Fiscal Year 2015 and 2016, and the first halves of Fiscal Years 2016 and 2017:

	Average Turnaround Time (days) — FY15	Average Turnaround Time (days) — FY16	Average Turnaround Time (days) — 1HFY16	Average Turnaround Time (days) — 1HFY17	% of Total Cargo Handled for Major Ports (FY15)	% of Total Cargo Handled for Major Ports (FY16)	% of Total Cargo Handled for Major Ports (1HFY17)
East Coast							
Kolkata (Kolkata Dock Systems)	4.18	3.98	3.89	4.62	2.6%	2.8%	2.4%
Kolkata (Haldia Dock Complex)	3.37	3.27	3.09	4.97	5.3%	5.5%	5.1%
Paradip	7.01	4.50	5.32	5.24	12.2%	12.6%	13.5%
Visakhapatnam	5.67	3.84	4.38	3.77	10.0%	9.4%	9.7%
Ennore	4.32	6.53	6.43	3.31	5.2%	5.3%	4.7%
Chennai	2.54	2.53	2.57	2.69	9.0%	8.3%	8.2%
V.O. Chidambaranar*	3.55	3.73	4.04	3.76	5.6%	6.1%	6.1%
West Coast							
Cochin	1.77	2.18	2.28	1.89	3.7%	3.6%	3.8%
New Mangalore	2.46	2.63	2.80	2.35	6.3%	5.9%	5.5%
Murmugao	4.15	3.65	3.70	5.81	2.5%	3.4%	4.1%
Mumbai	2.24	4.58	4.21	3.38	10.6%	10.6%	9.8%
J.N.P.T.**	5.28	2.44	2.85	2.01	11.0%	10.1%	9.8%
Kandla	5.38	4.66	5.06	4.72	15.9%	16.5%	17.1%
Major Ports	3.63	3.63	3.84	3.66	100%	100%	100%

(Source: Update on Indian Port Sector 2016, Update on Indian Port Sector 2015)

Notes:

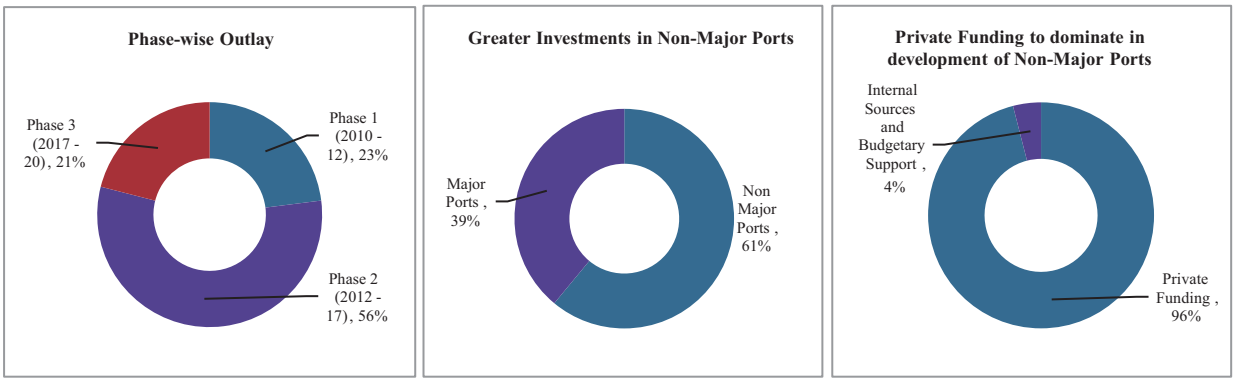
* V.O. Chidambaranar was previously named Tuticorin.

** J.N.P.T. stands for Jawaharlal Nehru Port

Many of the Major Ports, including three of the busiest Major Ports, have some of the highest average turnaround times due to overutilisation, which increases the operating costs of port users. This overutilisation, coupled with the inability of certain of these ports to expand in the short-term, may present opportunities for ports with room for additional capacity as cargo traffic is diverted.

Investment in Ports

As set out in projections in the Twelfth Five Year Plan, investment in ports in India is expected to be dominated by private funding and focused on the development of Non-major Ports. A summary of the broad expectations of the Twelfth Five Year plan for port investment in India is set out below:



(Source: Maritime Agenda 2010-2020)

Specific initiatives include research and development towards developing deep draft ports, green port initiatives to reduce carbon emissions and to enhance dredging capabilities. The Twelfth Five Year Plan also highlighted emerging areas for private sector investment, including dredging, which is currently carried out primarily by ports themselves, road infrastructure, SEZs, integrated parking zones and energy generation. However, projected investments and their resulting capacity increases did not materialise between Fiscal Years 2007 and 2012. According to the Ministry of Shipping, for Fiscal Year 2012, there were capacity shortfalls of 51.5 mmt and 15.6 mmt, for Major Ports and Non-major Ports in India, respectively, as compared to the projected capacities set out in the Twelfth Five Year Plan.

Growth Drivers and Industry Trends

The Ministry of Shipping of the Government of India is implementing the Sagarmala Initiative, for which a National Perspective Plan for Sagarmala was published in April 2016. In accordance with this plan, the cargo volume at Indian Ports is envisaged to grow at a CAGR of 8% to 2,160 mmt in Fiscal Year 2025 from 972 mmt in Fiscal Year 2014. Under the Government of India's optimistic scenario, this cargo volume may grow up to 2,500 mmt by Fiscal Year 2025 (*Source: Sagarmala: National Perspective Plan (April 2017), Ministry of Shipping, Government of India*).

Cargo volume growth at Indian ports by commodities

MTPA

Commodity	2014	2025 Base	2025 Optimistic	2025 Total
POL	351	460	80	540
Coal	231	850	128	978
Containers	115	323	53	375
Others	275	527	80	607
Total(1)	972	2,16	341	2,50

(Source: Sagarmala: National Perspective Plan (April 2017), Ministry of Shipping, Government of India.)

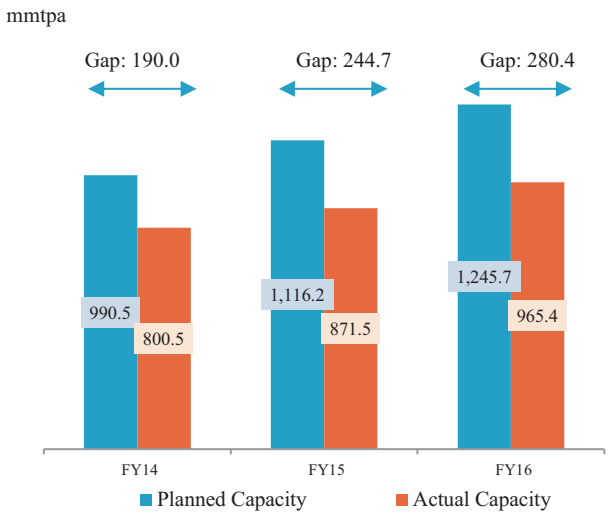
Note:

(1) Numbers may not add up due to rounding.

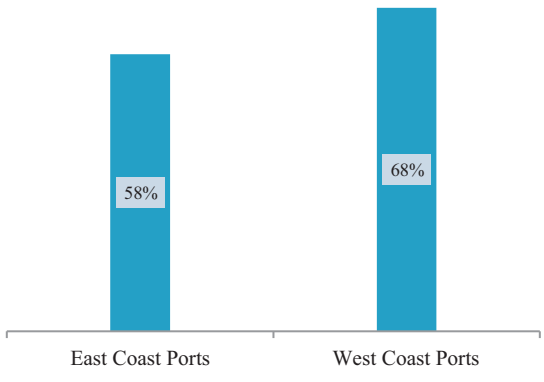
Ports Capacity Constrained

Certain Major Ports' capacities have become increasingly constrained, and this is expected to drive cargo to other ports with good connectivity and more capacity headroom. Major Ports on the west coast recorded a utilisation of 68% as compared to 58% for Major Ports on the east coast of India during Fiscal Year 2016.

Planned vs Actual Capacity for Major Ports (FY14 - FY16)



FY16 Utilization (East vs. West Coast Major Ports)



(Source: Maritime Agenda 2010-2020; Update on Indian Port Sector 2016, Ministry of Shipping Annual Report 2017)

Notes:

(1) East Coast Ports are Kolkata Dock Systems, Haldia Dock Complex, Paradip, Visakhapatnam, Ennore, Chennai, Chidambaranar; West Coast Ports are Cochin, New Mangalore, Murmugao, Mumbai, J.N.P.T, Kandla.

(2) Utilisation for ports calculated by adding up total throughput and dividing it by total capacity for ports of each region.

Non-major Ports to Continue Leading Traffic and Capacity Growth

According to the Ministry of Shipping, Non-major Ports have led traffic growth and capacity growth during the Eleventh Five-Year Plan. Traffic handled at Non-major Ports increased at a CAGR of 8.3%, as compared to 1.3% at Major Ports, between Fiscal Year 2010 and Fiscal Year 2016.

West Coast — A Key Region for Indian Shipping

The west coast of India is a key region for Indian shipping with ports on the west coast accounting for approximately 50% of the total cargo handled for Major Ports during the first half of Fiscal Year 2017. Major Ports on the west coast have been growing at a faster rate as compared to ports on the east coast, recording a CAGR of 3.9% against a CAGR of 3.5% between the period of Fiscal Year 2006 to Fiscal Year 2016. Non-major Ports in the state of Gujarat, which accounted for approximately 73% of the total volumes of Non-major ports in Fiscal Year 2016, recorded a CAGR of 12.6% between Fiscal Year 2006 and 2016.

The bulk of the demand originates in the northwestern hinterland which accounts for approximately 65% of the container cargo in the country. The western ports catering to this vast hinterland experienced a container traffic growth rate of 8.4% between Fiscal Years 2001 and 2014 and handled roughly 97.9 mmt in Fiscal Year 2014. These increases are supported by significant growth in infrastructure at Non-major Ports, including Mundra Port and the Pipavav Port, and regional infrastructure projects, such as the planned dedicated freight corridor connecting northern and western India.

West coast ports are also expected to benefit from proximity to the planned Mumbai-Delhi dedicated freight corridor. This freight corridor will greatly increase the capacity of trains that can be handled on this route and provide freight carriers with a dedicated railway line that is not shared with passenger trains.

Dedicated Freight Corridor

The Ministry of Railways of the Government of India is implementing a Dedicated Freight Corridor ("**DFC**") project under which it proposes to undertake planning and development, mobilisation of financial resources and construction, maintenance and operation of the DFCs. The project currently consists of two corridors, the Eastern and Western Corridor. According to the Dedicated Freight Corridor Corporation, the DFC project will result in an improvement in rail transport capacity.

Containerisation

Major global ports, including those in India, have had to adapt to a dramatic expansion in the trade of containerised cargo. In India, container cargo traffic has increased significantly from its inception in the 1970s. This increase has been driven primarily by engineering goods imports, textile exports

and increased containerisation of goods, and has required a commensurate increase in the handling capacity at Indian ports and improvement of in-port and evacuation logistical operations. Increasing containerisation has also presaged the emergence of larger ships, which have become a competitive differentiator in the shipping and port industry and necessitated the development of ports that can accommodate larger ships.

Growth in Intermodal Logistics and Improved Infrastructure

A port's success is increasingly dependent upon the quality of infrastructure in and around the port, including road and rail connections, and on how well a port is able to handle the logistics of moving cargo from the port onto shore. The development of intermodal routes has increased inter-port competition for ship calls and cargo. It has also reduced the relative importance of any one port in the logistics chain. As private transport companies integrate their services across modes and as shipping lines become more concerned with the landside delivery of cargo, a port's customer base has expanded from individual shippers and consignees to include forwarders and transport companies. The modal options available at ports have become a major selling proposition in attracting business.

Regulation of Indian Ports

Non-major Ports

Non-major Ports are governed by the Indian concurrent list of the Constitution and are administered under the Indian Ports Act. At the state level, the department in charge of ports or the state maritime board (created through state legislation as in the case of Gujarat) is responsible for formulating policies and plans concerning waterfront development, regulating and overseeing the management of state ports, attracting private investment in state ports and enforcing environmental protection standards. Maritime boards have so far been constituted only in Gujarat, Maharashtra and Tamil Nadu.

Major Ports

Major Ports are regulated by the Government of India under the union list of the Constitution, and are governed by the Indian Ports Act and the Major Port Trust Act. Under the Major Port Trust Act, all administrative and financial matters of each Major Port, except for Ennore Port, is overseen by a Board of Trustees appointed by the Government of India. The Board of Trustees has effective ownership of and control over all port assets and liabilities and is empowered to handle all port administration and operations, including the power to enter into all contracts with respect to various works and services to be provided by the port and to control all financial matters, including budget management, revenues and investment-related activities of the port. The Board of Trustees must submit all port-related revenues and expenditures to the Government of India, which are subject to scrutiny of the Comptroller and Auditor General of India.

Despite the considerable control that the Board of Trustees has over a Major Port, the powers of the Board of Trustees are limited to those delineated in the Major Port Trust Act and the Indian Ports Act, and such boards are bound by directions on policy matters and orders from the Government of India. All residual powers related to Major Ports not delegated to the Board of Trustees under the Indian Ports Act are vested with the Government of India. Because Major Ports are effectively under the control of the Government of India, the business of Major Ports tends to be dominated by public enterprises and government departments.

Government Initiatives in the Indian Port Industry

Policy initiatives in the port industry come from the Government of India and the various state governments.

Government of India

The Government of India is focused on increasing capacities at Major Ports. The Eleventh Five Year Plan, for example, envisioned an increase in the total capacities of Major Ports to 741.4 mmt as at 31 March 2012 from 504.8 mmt as at 31 March 2007. The total capacity as at 31 March 2012, however, was actually 689.8 mmt, representing a considerable shortfall in this objective. Nonetheless, the Ministry of Shipping published the Maritime Agenda 2010-2020, which identifies key areas of attention for the Government of India. The Maritime Agenda 2010-2020 focuses on implementing an agenda, with specific and general aims, buttressed by a philosophy of increasing private sector participation.

The agenda includes a number of specific aims, including the development of two new Major Ports on each of the west and east coasts of India, developing two "hub" ports, on each of the west and east coasts of India, full mechanisation of cargo handling and movement, ensuring that all Major Ports and "hub" ports have drafts of no less than 14 metres and 17 metres, respectively, and identifying and implementing projects for rail, road and inland waterway connectivity to ports. "Hub" ports are intended to be key focus ports on the coasts with deep drafts, less need for dredging, strategic locations and the potential to reduce total transport costs through a "hub and spoke" model. The agenda also includes broader policy measures, including the development and implementation of new policies for land for Major Ports, captive berths, dredging, shifting transhipment of Indian containers from foreign ports to Indian ports, fostering cooperation and competition among Indian ports and the creation of a sovereign entity, now named Indian Ports Limited, to invest in port infrastructure internationally.

According to the India Brand Equity Foundation, the Government of India has also allowed foreign direct investment of up to 100% under the automatic route for projects related to the construction and maintenance of ports and harbours. The Government of India intends for the private sector to invest in these projects primarily on a private partnership, build-operate-transfer or build-own-operate-transfer basis. To facilitate investment and transparency, the Department of Shipping has released a model documentation, including requests for proposals, requests for quotations and concession agreements.

State Governments

While Major Ports, except for Ennore Port, are administered by Port Trusts, which are in turn regulated by the Major Ports Act 1963, Non-major Ports are regulated by state governments. State governments are assisted by the Maritime States Development Council, which was created in 1997 to provide an institutional framework for coordination between Major Ports and Non-major Ports. State governments have revised or implemented new policies with varying degrees of success and enthusiasm.

The government of Gujarat has proactively developed Non-major Ports on its coastline, beginning with implementing a comprehensive Integrated Port Policy in 1995, which focused on pursuing vertically integrated development of both its ports and industrial base. The GMB, which is the government of Gujarat's regulatory body responsible for maritime oversight, has selected 10 sites for

Greenfield development of new ports, six of which are to be developed through private investment, and four through joint development. The government of Maharashtra has also implemented a number of policy initiatives for port development, while implementing policy guidelines for captive terminals.

Changes to Tariff Regime

Since 2005, tariffs at Major Ports have been set by the TAMP. The Ministry of Shipping of the Government of India proposed a new tariff regime, pursuant to which the Major Ports Regulatory Authority and the respective state port regulatory authorities would regulate tariffs in Major Ports and Non-major Ports, respectively. The Ministry of Shipping proposed the deregulation of tariffs, instead allowing port operators to implement a fixed market-linked tariff to attract private sector investment. Under this regime, TAMP will set a reference tariff based on minimum efficiency standards for ports, such as turnaround time, average output per ship berth day and average idle time. The reference tariff will be indexed to inflation, and TAMP will implement a new reference tariff every five years. Reference tariffs, and pricing, will thus be determined by the availability of port facilities (e.g., minimum waiting time), quality of services rendered (minimum turnaround time, port security and quality of evacuation infrastructure) and competition.

Competitive Environment

The competitive environment of the port industry is driven primarily by port efficiency, congestion, scalability, berth availability, connectivity and the quality of the immediate hinterland.

Port Efficiency

Key indicators of port efficiency include average turnaround time, average pre-berthing detention time and average output per ship berth-day. Average turnaround time is the total time spent by a ship between berthing and leaving the berth at the terminal. Average turnaround time for all Major Ports improved from 8.1 days in 1990-91 to 3.6 days in Fiscal Year 2006. Thereafter, the average turnaround time increased to 5.3 days in 2010-11. In Fiscal Year 2012, the average turnaround time declined to 4.6 days in Fiscal Year 2012, 3.8 days in the first half of Fiscal Year 2016 and 3.7 days in the first half of Fiscal Year 2017, respectively.

Average pre-berthing detention time is the time a ship waits between arriving at the port and gaining entry to a berth. Average pre-berthing time is affected primarily by the cargo handling capacity and average turnaround time of the port. The average overall pre-berthing detention time for all Major Ports declined from 2.2 days in Fiscal Year 1991 to 1.6 days in Fiscal Year 2009. However, in Fiscal Year 2010 and Fiscal Year 2013, the average pre-berthing detention edged up to 2.2 days and 1.8 days, respectively. The pre-berthing detention time in Fiscal Year 2015 was 1.6 days.

The following table provides the projected key operating performance indicators for Major Ports for Fiscal Year 2015:

	Average Pre Berthing Detention (Days)
East Coast	
Kolkata (Kolkata Dock Systems)	0.7
Kolkata (Haldia Dock Complex)	1.4
Paradip	4.1
Visakhapatnam	2.6
Ennore	2.5
Chennai	0.4
V.O. Chidambaranar*	1.1
West Coast	
Cochin	0.8
New Mangalore	0.6
Murmugao	1.6
Mumbai	1.7
J.N.P.T.**	0.8
Kandla	2.5
All Major Ports	**1.6**

(Source: Update on Indian Port Sector 2015)

Notes:

* V.O. Chidambaranar was previously named Tuticorin.

** J.N.P.T. stands for Jawaharlal Nehru Port

Average output per ship berth-day is the total tonnage handled divided by the number of days the berth is operational. Average output per ship-berth day increased from 3,372 tonnes in Fiscal Year 1991 to 14,725 tonnes in Fiscal Year 2016, 13,835 tonnes in the first half of Fiscal Year 2016 and 14,921 tonnes in the first half of Fiscal Year 2017 for major ports which is below the performance of Non-major Ports operated by private developers. However, average output per ship-berth day is marked by substantial variation across major ports ranging from a high 31,080 tonnes in the case of Kamrjar port (Ennore Port) to a low of 4,182 tonnes at Kolkata Dock System during Fiscal Year 2016. This variation reflects the type of cargo being handled, level of mechanisation and labour practices.

Connectivity

Connectivity between ports and hinterland areas is a primary competitive differentiating factor. The primary means of connectivity between ports and hinterland areas are road and rail for all types of cargo, and pipeline connectivity for crude oil and POL products. Other methods of connectivity, such as waterways, have remained undeveloped and are unlikely to change in the near future. According to modal analysis conducted by the World Bank, railways, roads, pipeline and other means of connectivity (including inland waterways and conveyors) should have accounted for 34%, 22%, 44% and 0%, respectively, of tonnage handled in India for Fiscal Year 2007, but actually accounted for 24%, 36%, 30% and 10%, respectively, of tonnage handled. Ports that can bridge this gap by improving their connectivity have a significant competitive advantage over ports that are unable to do so.

According to the Ministry of Shipping, railway connectivity in particular is hampered by overcapacity, such as on the Delhi-Mumbai railway line, which is one of the most heavily trafficked corridors in India, with a capacity utilisation rate of 135%. Overcapacity is primarily attributable to the need to share railway lines with passenger trains, leaving freight trains with lower priority and longer waiting time. As a result, on average over 9,000 loaded trucks cover this corridor each day, aggregating 30 mmt annually of road freight traffic. Scheduled improvements to the existing railway infrastructure in India are expected to significantly affect the competitiveness of ports that are able to establish connectivity. For example, the dedicated freight corridors proposed for the Delhi-Mumbai and Delhi-Kolkata routes and, for container cargo traffic, recent initiatives by Indian Railways to involve the private sector in container train operations and wagon ownership.

The Ministry of Shipping also indicates that an additional emerging competitive differentiator is pipeline connectivity, which is the preferred method of transporting liquid bulk cargo, such as crude oil and petroleum products, and an alternative method for moving certain bulk materials, such as iron ore transported in slurry form. Furthermore, the Cabinet Committee on Economic Affairs of the Government of India approved a capital grant to construct a gas pipeline 2,539 km long for the Jagdishpur-Haldia and Bokaro-Dhamra Pipeline project, which is being implemented by GAIL (India) Limited. This is the first time that the Government of India has extended a capital grant to a natural gas pipeline project. A competitive differentiator for ports is the existing, or plans to construct, infrastructure that transports crude oil by pipelines to refineries or liquid natural gas, after re-gasification at the port, through gas pipelines to central areas for consumption. Pipeline construction has generally kept pace with demand, because pipeline construction depends on private, not public, funding. As a result, the competitive differentiator for ports is the proximity to refineries and existing pipeline infrastructure.

Immediate Hinterland

According to the Ministry of Shipping, the economically vibrant hinterlands immediately proximate to ports is a significant competitive differentiator. For ports in Gujarat, the heavily industrialised

regions of Northern India provide significant opportunity for demand. Mundra Port, in particular, enjoys proximity to the industrialised regions in Saurashtra and North Gujarat; the Mumbai and Jawaharlal Nehru Ports enjoy proximity to South Gujarat; and Pipavav Port enjoys proximity to Central Gujarat.

Special Economic Zones

The Government of India has implemented a number of measures to encourage foreign investment in India, including the introduction in 2005 of a SEZ regime, pursuant to which specified land is deemed to be "foreign territory" for Indian customs controls, duties and tariffs. SEZs thus provide an internationally competitive and relatively unregulated environment for export-oriented activities. The parties involved in establishing, developing and operating these SEZs include:

- *Government authorities*. Government authorities grant development rights for SEZs, establish policies and guidelines, assist with project execution and can provide financial support to certain institutions approved by the SEZ. Government authorities forego direct revenues (in the form of taxation) and provide incentives to the other parties to stimulate economic growth.

- *Developers and co-developers*. Developers and co-developers are enterprises that develop (e.g. providing infrastructure, such as roads, water and drainage systems) and promote the SEZ.

- *Operators*. Operators are enterprises that operate and/or maintain the infrastructure in the SEZ.

- *Tenants and units*. Tenants and units are the businesses that operate in the SEZ and are engaged in a range of industries, including manufacturing, services and trading.

- *Residents*. Residents are the employees of the tenants and units located in the SEZ.

OUR BUSINESS

We are India's largest private developer and operator of ports and related infrastructure. (*Source: Indian Port Association E-Magazine March 2016*). We provide fully integrated marine, handling, storage and logistics services. We have expanded our business from operating a single port at Mundra on the west of India to being a pan-Indian integrated logistics service provider operating eight ports/terminals and three inland container depots. We are further expanding our capacities at certain of our existing ports and are also in the process of developing incremental container terminals in the south of India at Ennore and Vizhinjam.

With a total installed capacity of 333.80 mmtpa for handling a diverse cargo base including dry and liquid bulk, containers, crude and automobiles, we handled 168.7 mmtpa of cargo in Fiscal Year 2017 and 151.5 mmtpa of cargo in Fiscal Year 2016. We believe that we are India's benchmark to global ports in terms of strengths, capacities and operations. Our key firsts and differentiators include:

- number one port in India, in terms of cargo handled amongst all commercial ports;
- number one private container handling port of India;
- number one port for coal handling in India;
- operating parameters benchmarked with global peers;
- only indigenous port company with pan-Indian facilities;
- only port company in India able to handle E Class (more than 14,000 TEUs) container vessels;
- one of the few port companies in India with facilities to handle super capesize vessels;
- only company to have developed and operated more than 311 kilometres of private railway line, including India's first and longest private railway line connecting Mundra to Adipur; and
- large fleet of 17 dredgers for dredging and reclamation and 21 tug boats for seamless marine operations.

Our key landmark milestones are:

- 1998: Started captive jetty at Mundra.
- 2001: Signed the concession agreement for cargo handling at Mundra.
- 2002: Developed India's first and longest private railway line connecting Mundra to Adipur.
- 2002: Agreements signed with Indian Oil Corporation Limited ("IOCL") and Hindustan Mittal Energy Limited ("HMEL") to set up a single-point mooring unit and crude oil handling facilities at Mundra.
- 2003: Sub-concession with P&O Ports for operations at Mundra International Container Terminal — Container Terminal 1.
- 2004: First non-captive single-point mooring facility in India at Mundra commenced operations.

- 2006: SEZ Act enacted, Mundra emerges as the largest coast-based SEZ in India.
- 2007: Initial public offering of our Company.
- 2007: Inland container depot at Patli in northern India became operational.
- 2008: Second container terminal at Mundra commenced operations — developed and operated by us.
- 2009: Automobile handling terminal at Mundra commenced operations.
- 2009: Inland container depot at Kishangarh in northern India became operational.
- 2010: Coal and bulk terminal at Mundra became operational.
- 2011: Dry bulk terminal at Dahej, Gujarat, commenced commercial operations.
- 2012: Doubling of the rail connectivity between Mundra and Adipur completed.
- 2013: Multi-cargo port terminal at Hazira, Gujarat commenced commercial operations.
- 2013: Joint venture, AICTPL takes over operations of Container Terminal 3 at Mundra. The south basin at Mundra commences commercial operations.
- 2014: Mundra became the first commercial port in India to handle more than 100 mmtpa of cargo.
- 2014: The Company signed a concession agreement to develop a container terminal at Ennore Port.
- 2015: The Company acquired the port of Dhamra, Odisha on the east coast of India.
- 2015: The terminals at Murmugao, Vizag and Kandla (Tuna Tekra) commenced commercial operations.
- 2015: The Company signed a concession agreement to develop a deep water container terminal at Vizhinjam Port.
- 2015: The Company ceased to be a Subsidiary of AEL as a result of a composite scheme of arrangement for demerger.
- 2015: The Company issued U.S.$650 million 3.50% Senior Notes due 2020.
- 2015: The Company signed an in-principle agreement to acquire Kattupalli Port.
- 2015: The Company commenced operation of Kattupalli Port pursuant to an interim operator agreement.
- 2016: Container Terminal 4 at Mundra commenced operations.
- 2016: The Company acquired Abbot Point Bulkcoal Pty. Ltd.
- 2017: the Company acquired TM Harbour Pvt Ltd.

- 2017: The Company issued U.S.$500 million 3.95% Senior Notes due 2022.

Asset Overview

We have developed and operate seven bulk terminals, four container terminals, three coal terminals and two single-point mooring facilities that together allow us to provide port services for dry and liquid bulk (including coal), container, crude oil and other cargo. We also operate a container terminal at Kattupalli Port on an interim basis and we are in the process of acquiring this port.

On the west coast of India, we have developed and operate a port at Mundra Port, the largest commercial port in India by volume, where we also operate a container terminal under a joint venture agreement with MSC, a dry bulk terminal at the port at Dahej Port, a multi-purpose terminal and a container terminal at Hazira Port, a coal handling terminal at Murmugao Port, and a bulk cargo terminal at Kandla Port.

Mundra Port, Dahej Port and Hazira Port are capable of handling capesize vessels. At the south basin of Mundra Port, we have recently commenced operations on an additional container terminal which is being operated pursuant to a joint venture with CMA CGM. We are also developing an incremental extension to container terminal 3, at the south basin of Mundra, which is proposed to be operated by AICTPL, a joint venture with MSC, subject to arrangements that will be agreed upon once construction is completed (which may include operation of the terminal by a sub-concessionaire pursuant to a sub-concession agreement entered into by AICTPL and such operator). A liquefied natural gas terminal is also being developed at Mundra, under a proposed sub-concession by GLL with our Company. Under the terms of the proposed sub-concession agreement, our Company would develop the civil infrastructure for the terminal, lease the land for the project to GLL and have the right to use the infrastructure. We have received environmental clearance for this project and the construction is in progress.

We also provide other services, including infrastructure, leasing and logistics services at Mundra Port and through its surrounding infrastructure, including the Mundra SEZ which we have developed and operate and which is one of the largest operating port-based multi-product SEZs in India.

On the east coast of India, we have developed and operate a coal handling terminal at Vizag Port, and have acquired Dhamra Port, which is also capable of handling capesize vessels.

On the southern coast of India, we have completed the construction of a container terminal at Ennore Port, and we operate a container terminal at Kattupalli Port on an interim basis and we are in the process of acquiring it subject to requisite approvals. We have also signed a concession agreement to develop a deep water container handling terminal at the port of Vizhinjam in the state of Kerala.

Our port services include marine, intra-port transport, storage and handling, evacuation and other value-added services for a diverse range of customers, primarily terminal operators, shipping lines and agents, exporters, importers and other port users. We offer comprehensive end-to-end logistics solutions for handling a wide range of cargo through our wholly-owned Subsidiary, Adani Logistics, to complement our port facilities. We are also the first and only privately owned Indian port operator to be awarded a seat at the C40 World Ports Climate Conference.

Our total cargo volume handled for all of our operating ports increased to 168.7 mmt in Fiscal Year 2017 from 11.7 mmt in Fiscal Year 2006 (in which Mundra Port was our only operating port), representing a CAGR of 31.1% between Fiscal Years 2006 and 2017. Our total cargo volume handled for all of our operating ports was 151.1 mmt in Fiscal Year 2016 and 126.1 mmt in the first nine

months of Fiscal Year 2017. For Fiscal Year 2016, our total cargo volume handled represented 30.7% of the total cargo handled at all Non-major Ports in India. Our total cargo handled represented 15.1% and 14.1% of the total cargo handled at all ports in India for in the first nine months of fiscal year 2017 and Fiscal Year 2016, respectively. Our cargo is primarily origin and destination in nature, with only 0.43 mmt of our total cargo representing transhipment cargo in Fiscal Year 2017.

The Adani Group

We are a part of the Adani Group, which has significant interests across the resources (coal mining and trading), logistics (ports and logistics, shipping and rail), energy (power generation and transmission) and other ancillary industries, with a presence in India, Indonesia, Singapore, Australia, China and the Middle East. The Adani Group includes four listed companies in India: Adani Enterprises Limited ("**AEL**"), Adani Power Limited, Adani Transmission Limited and our Company. As a result of the composite scheme of arrangement for demerger between our Company and AEL effective from 1 April 2015, our Company has ceased to be a Subsidiary of AEL.

Recent Developments

Reorganisation of marine business and consolidation of marine services

In December 2016, our Company acquired 100% of the equity shares of TM Harbour Services Private Limited (now renamed as The Adani Harbour Services Private Limited ("**TAHSPL**")) from a Tata group company in order to reorganise our marine business and consolidate our marine services (relating to tugging and towing activity) under TAHSPL to provide tug related marine services to shipping companies and our port customers. TAHSPL is a company registered under the tonnage tax regime, pursuant to which tax on shipping and marine activity is nominal. Following the acquisition, we initiated the demerger of our Company's marine business to TAHSPL. Accordingly, the National Company Law Tribunal at Ahmedabad, by way of its final order dated 18 May 2017, ordered a NCLT-convened meeting of the shareholders and creditors of our Company to consider approving the proposed demerger. The NCLT-convened meeting is scheduled to be held on 27 June 2017. We believe this reorganisation of assets will result in reduced tax liability of our Company.

Adani Dahej and Adani Hazira have also initiated the process of demerging their respective marine business undertakings to TAHSPL through a separate scheme of arrangement. Accordingly, the NCLT at Ahmedabad, by way of its final order dated 18 April 2017, ordered a meeting of the shareholders and creditors of Adani Dahej and Adani Hazira to be convened on 27 May 2017, and subsequent to the meeting the shareholders and creditors approved the proposed demerger. Adani Dahej and Adani Hazira have filed the petition with NCLT for the final order.

8.22% Non-Convertible Debentures

In March 2017, our Company issued Rs. 10,000 million of NCDs which bear an interest rate of 8.22% per annum. The NCDs are listed on the BSE and secured by way of exclusive charge on of the Coal and Bulk Terminal, situated in the West Basin at the Port of Mundra. The NCDs are redeemable in three equal installments at the end of the eighth, ninth and tenth year from 8 March 2017, the deemed date of allotment.

Our Competitive Strengths

Our principal competitive strengths are as follows:

Strategic Location and Advantageous Natural Characteristics

Our ports are located across the Indian coastline with key presence on the west and east coast of India. Mundra Port, Dahej Port, Kandla Port and Hazira Port are strategically located in Gujarat, close to the north, west and central hinterlands of India and major maritime trade routes, and have advantageous natural characteristics. Our terminal at Murmugao caters to the demand-rich hinterland of central and southwestern India. On the eastern coast of India, Dhamra Port is strategically located to cater to the resource-rich, landlocked hinterland of the eastern and northeastern India with its close proximity to the coal and iron ore rich states of Jharkhand, Bihar and Odisha, Vizag Port is strategically located and houses a coal handling terminal to cater for coal imports to feed the local industries and power plants located in the states of Andhra Pradesh, Odisha, Chhattisgarh and eastern Maharashtra. In southern India, Ennore Port and Kattupalli Port have a strategic presence to cater to the regional container cargo demand for southern India.

The north, west and central regions of India, which include the National Capital Region, Gujarat, Rajasthan, Haryana, Punjab, Madhya Pradesh and Uttar Pradesh, generate significant seaborne trade, from which Mundra Port, located only 341 kilometres from Ahmedabad, benefits. Mundra Port is also connected by a railway line that is capable of handling double stack containers to Bhatinda and the northern hinterland of India, and by branch lines to the Delhi-Mumbai freight corridor. Mundra Port and Kandla Port are located near the entrance of the Gulf of Kutch, close to one of the major global maritime trade routes that bridges resource rich Middle East, Africa and Australia, and regions with high resource demand and consumer exports in East and North Asia and Europe. Dahej Port and Hazira Port enjoy proximity to central and south central India, including the hinterlands of Madhya Pradesh, Chhattisgarh, north Maharashtra and south Gujarat, and are in close proximity to the existing Delhi-Mumbai freight corridor. Mundra Port, Kandla Port, Dahej Port and Hazira Port are each close to the proposed dedicated high-speed freight corridor connecting Delhi and Mumbai. Dhamra Port has access to the eastern hinterland which houses several steel industries and power plants.

Our facilities also benefit from advantageous geographic characteristics, with the ability to accommodate capesize vessels and operate all weather ports and terminals. All of our operational terminals enjoy deep drafts, ranging between 15 and 20 metres, which can accommodate capesize bulk vessels and container vessels with capacities of more than 14,000 TEUs to dock berthside. At Mundra Port, we handle VLCCs and ULCCs, which moor at our two single-point mooring facilities each with drafts of 32 metres. We believe our terminals have among the deepest drafts of ports on the west coast of India. Mundra Port is also protected by its location on the north shore of the Gulf of Kutch, while Dhamra Port is naturally protected by the Kanika Islands from the worst of the severe rain, wind and waves that accompany the monsoon season, reducing associated costs, delays and damages.

With their existing developments and access to surrounding areas capable of further development, Mundra Port, Kandla Port, Dahej Port, Hazira Port and Dhamra Port have substantial scope to increase capacity to cater to future demand which will facilitate the smooth expansion of our existing cargo handling facilities.

Successful Track Record of Project Development and Execution

Enabled by our experienced senior management team (see "— *Experienced Senior Management Team*"), we have a successful track record of developing and executing projects, including waterfront, onshore, back-up area, evacuation and connectivity infrastructure across greenfield, brownfield and terminal locations.

Our track record includes developing and operating 14 terminals with 37 berths and two single-point mooring facilities with mechanised back-up and storage areas across Mundra Port, Dahej Port, Hazira Port, Kandla Port, Murmugao Port, Dhamra Port and Vizag Port. Mundra Port is the fastest port to reach 100 mmtpa within a span of 14 years from commencement of operations, and is today the largest of our commercial ports. We have also recently completed the development of incremental cargo handling capacities at Dhamra Port and container terminals at Ennore Port, and are currently developing incremental container handling capacities at Mundra Port under a joint venture agreement with MSC and at Vizhinjam Port.

Our track record also includes successful integration of acquired assets. For example, in Fiscal Year 2014, our Company began providing operational consultancy services to Dhamra Port in order to improve its EBITDA margin. On 22 June 2014, our Company acquired a 100% controlling stake in Dhamra Port Company Limited. During this period, we not only successfully dovetailed the operations and the administration of this port but we also integrated the strategies, procedures, systems and human resources of Dhamra Port.

Following our involvement in Dhamra Port, we were able to improve the operating and financial performance at the port. We had similar success at Kattupalli Port, where the cargo volume has increased significantly after we took over the operations of the port on an interim basis. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Significant Factors Affecting Our Results of Operations*". We believe that the application of operational expertise of our Company in running large ports contributed to this increase.

The strategies adopted to improve the results of Dhamra Port Company Limited are highlighted below:

- We increased the cargo being handled by Dhamra Port Company Limited by increasing operational and evacuation efficiency and minimal operations breakdown. This grew at a CAGR of 17.8% from 11.1 MMT for Fiscal Year 2013 to 21.4 MMT in Fiscal Year 2017.

- We increased Dhamra Port Company Limited's total revenue by:

    - Rationalising of operating cost per tonne by avoiding waste and, accordingly, reducing the demurrage payment. This was achieved by increasing operational and evacuation efficiency and minimising operations breakdowns, leading to higher cargo handling and reduced operations and maintenance costs.

    - Reducing dredging cost.

    - Reorganising and reducing corporate expenses by utilising common resources.

Our project development and execution has been successful, with cargo volume handled increasing by a CAGR of 17.8% between Fiscal Years 2015 and 2017. Mundra Port was ranked first in terms of total cargo handled across all Non-major Ports and Major Ports in India for Fiscal Year 2014 (*Source: Indian Ports Association, GMB*), Dahej Port, since commencing operations in 2011, has handled 6.3 mmt of cargo for Fiscal Year 2017, while Hazira Port handled 15.3 mmtpa of cargo for Fiscal Year 2017 (its second full year of operations) and Dhamra Port handled 21.4 mmtpa of cargo (compared to 5 MMT in the first 11 months from 6 May 2011) for Fiscal Year 2017. Our Company has also started operations at the terminals at Murmugao, Vizag and Tuna Tekra (Kandla), and the cargo handled for Fiscal Year 2017, for the ports was 2.0 mmtpa, 0.0 mmtpa and 4.5 mmtpa. Our Company has also started operations at the terminals at Kattupalli port on an interim basis, with the cargo handled for Fiscal Year 2017 being 5.5 mmt.

We believe that our senior management's experience in project development provides us with a number of competitive advantages in implementing our growth strategy, achieving operational efficiencies and attracting customers. In particular, we believe this experience allows us to successfully execute projects on schedule and within cost and establish achievable objectives in our current and future development plans and also allows us to recognise and capitalise on opportunities.

Extensive Dedicated Infrastructure

We have developed substantial infrastructure around our ports allowing us to have better connectivity to the hinterland. We have access to the latest mechanised material handling equipment, including dredgers, mobile harbour cranes, conveyer systems, port crafts and tugs, allowing us to smoothly carry out our marine operations and achieve improvement in the average turnaround times at our port facilities.

Our operational facilities have, and, once operational, our facilities under development are planned to have, extensive infrastructure with significant regional connectivity. We believe this extensive infrastructure allows us to realise synergies and offer value-added services through our integrated port services model.

- ***Port Infrastructure***. We have developed and operate 14 terminals with 37 berths and two single-point mooring facilities with mechanised back-up and storage areas across Mundra Port, Dahej Port, Hazira Port, Murmugao Port, Vizag Port, Kandla Port and Dhamra Port. Our terminals and their related infrastructure are multi-purpose, providing us with flexibility to handle a variety of cargo across various economic conditions. At Mundra Port, our extensive infrastructure provides us with significant room for growth. Mundra Port comprises three multi-purpose cargo terminals, three container cargo terminals, a coal terminal, two single-point mooring facilities and extensive supporting infrastructure. This supporting infrastructure includes mobile harbour cranes, conveyor systems, port craft and other equipment, and back-up and storage areas for dry and liquid bulk, container and crude oil cargo. We have also received notifications of land from the Government of India for 8,481.28 hectares (including 168 hectares that are sector specific) of the Mundra SEZ, providing us with considerable room to continue to accommodate supporting infrastructure for the expansion of Mundra Port.

- ***Connectivity Infrastructure***. We believe that the infrastructure providing connectivity between our facilities and their respective hinterlands is integral to successfully developing ports and related facilities. At Mundra Port and the Mundra SEZ, we benefit significantly from the proximity and connectivity to in-port and regional rail, road and pipeline infrastructure. Within and around the Mundra region, we have developed seven railway sidings, over 50 kilometres of roads and a private airstrip. Mundra Port and the Mundra SEZ are well connected to the regional railway network by a private 86-kilometre double track railway line, which we have developed and operate. At Mundra Port, our two single-point mooring facilities are connected by pipeline to petroleum refineries in Panipat, Haryana and Bhatinda, Punjab and the regional pipeline network, and our liquid cargo storage and handling facilities are connected by POL pipeline to Bahadurgarh, near Delhi. Dahej Port and Hazira Port benefit significantly from existing evacuation infrastructure, with each port well connected to the region by railway and road. The Dahej railway station, approximately two kilometres away from Dahej Port, is connected to Bharuch, Gujarat by a broad gauge railway line which was upgraded by the Bharuch Dahej Railway Corporation Limited, in which Adani Dahej has a 10.5% equity stake. Dhamra Port has

a 62.8 kilometre private rail network which connects Dhamra to the national railway grid through Bhadrak, and also has a road connecting the port to the network of state and national highways. Ennore Port and Kattupalli Port also have extensive established rail and road connectivity to regional infrastructure.

- ***Logistics***. Our inland infrastructure includes ten container cargo rakes, three rail-linked inland container depots at Patli, Punjab, Kishangarh, Rajasthan, and Killa Raipur, Punjab, and a licence, and infrastructure and equipment, allowing us to operate container trains across our port facilities. Dahej Port, Hazira Port, Kandla Port and Mundra Port are also connected to a proposed dedicated high-speed freight corridor connecting Delhi and Mumbai.

Fully Integrated Port and Logistics Services Provider for Diverse Range of Cargo

We offer customers fully integrated port and logistics services for a diverse range of cargo for each step of the value chain, from the piloting of vessels to their berths to the evacuation of cargo to, and beyond, the regional infrastructure network. These services include marine, intra-port transport, storage and handling, evacuation and logistics services across road, railway and pipeline connectivity. We provide these services through our extensive infrastructure with the flexibility to accommodate, and provide dedicated facilities for, a diverse range of cargo, including dry and liquid bulk, container and crude oil cargo. Our extensive port and connectivity infrastructure with regional connectivity also allows us to offer value-added services to our customers, including in-house customs clearance, logistics and storage services. For example, Maruti Suzuki manufactures cars at Manesar in north India, which is located 22 km from the Patli Inland Container Depot ("**PICD**"). Due to this proximity, Maruti Suzuki uses the PICD to transport its cars, using rakes operated by Adani Logistics Limited. These cars arrive at a pre-despatch inspection yard which is near Mundra Port. From here, the cars are loaded into car-carrying vessels from the roll-on, roll-off terminal at Mundra.

We believe that the fully integrated port and logistics services model provides a number of benefits to our customers and us. Our customers benefit from this model by having one vendor across the value chain that they can hold accountable for protecting their interests. We believe that this accountability fully aligns our and our customers' interests, and allows us to improve the speed and quality of the service our customers receive. We benefit from this model because it provides us with multiple streams of income and reduces the number of other service providers in the logistics chain, allowing us to capture revenue from additional services and charge premium pricing for a bundled, and what we believe is superior, service. We believe that our fully integrated port and logistics services model creates a sustainable competitive advantage in attracting customers against other ports in the region.

Long-standing Relationships with Customers and Strong Business Partnerships

At our key ports, we have long-standing relationships with our top customers, which we believe have been established and are strengthened by the strategic locations, extensive dedicated infrastructure, customer-centric operations and ability to handle additional cargo at each of our facilities. Our customers include leading state-owned petroleum refineries, government-owned POL distribution companies, power plants, prominent automobile manufacturers, shipping lines as well as container service providers such as BASF India Limited, Cairn India Limited, Coastal Gujarat Power Limited (Tata Power Limited's Subsidiary), Adani Power Limited, Maruti Suzuki, Maersk West and Central Asia Limited, NTPC Tamil Nadu Electric Company Limited, Cairn Energy Limited, Hindustan Petroleum Corporation Limited and Reliance Industries Limited, as well as a leading national steel manufacturing company, a leading state-run crude oil refining company with refineries in north India and a leading private steel company. These long-standing relationships have allowed us to enter into

long-term agreements with customers across a variety of industries with varying cargo requirements, which we believe helps us to weather economic and commodity price volatility. We also enter into strategic partnerships with corporations such as P&O Ports, Petronet LNG, Shell Hazira and MSC where we perform the role of an asset developer and operator, while our partners provide their cargo sourcing expertise. We believe that these business partnerships will ensure the future growth of our business.

Experienced Senior Management Team

Our senior management team has significant industry experience and relationships in the port and related industries. Gautam Adani, Chairman and Managing Director of our Company and the founder of the Adani Group, one of the leading business conglomerates in India, has over 30 years of experience as an entrepreneur across the power generation, coal mining, oil and gas exploration, bunkering and port development industries. We also benefit from our senior management's extensive strategic and operational experience in a variety of sectors and businesses such as shipping lines, marine pilotage, marine technical, Major Ports, logistics and railways, which, in turn, allows us to manage our growth and ensures smooth operations across all our ports. We believe that the knowledge and experience of our senior management team enables us to continue to build on our track record of project development and execution and respond to market opportunities.

Our Strategies

As a growing multi-location port and logistics developer and operator, our strategies evolve from the key strengths we have developed over the past decade. Our key strategies, which are set out below, are in line with the strategy we have adopted to develop a string of ports along the Indian coastline, from Mundra in the west to Dhamra in the east:

- Asset identification and optimisation;
- Achieving synergies with our chain of ports to cater to India's international trade; and
- Business development and operations specifically tailored across the various strategic business units.

Asset identification and optimisation

We are a growing multi-location ports and logistics developer and operator based in a country which has a demand-supply mismatch and poor ports and logistics infrastructure. We are committed to developing and providing the best-in-class ports and logistics infrastructure in the country, including related services. Our asset identification and optimisation strategy focuses on acquiring, developing and operating ports and logistics infrastructure across greenfield ports, brownfield ports, terminals at Major Ports, logistics parks and logistics related services across the country. As part of our goal to optimise our resource utilisation, our Company focuses on operating ports and terminals which are readily accessible by large vessels. In addition to growing organically, we may from time to time pursue strategic acquisitions that complement our existing business. Our strategy for asset identification and optimisation is:

- *Catering to the resource-rich hinterland*
    - o Catering to demand centres on the west and resource rich hinterland on the east; and

- Growing our potential to emerge as a transhipment network and coastal shipping hub.

- *Developing and operating modern ports*

  - Developing an integrated value chain of marine, handling, storage and evacuation infrastructure;

  - Developing deep draft ports to service large vessels along with a fleet of modern dredgers;

  - Developing fully mechanised terminals with best-in-class equipment and storage infrastructure; and

  - Developing multi modal evacuation infrastructure.

- *Multi-purpose terminals*

  - Growing the capability to handle varied types of cargo; and

  - Functioning across export as well as import needs.

- *Commercial Flexibility*

  - No regulatory pricing for some key assets; and

  - Diversifying services to avoid revenue and time pilferage.

- *Integrated Services*

  - Developing the best-in-class support infrastructure, which includes one of the largest fleets of tug boats; and

  - Developing a dedicated network of rail, road and pipeline.

- *Expandable*

  - Accumulating large land parcels available to tap future growth;

  - Developing support infrastructure; and

  - Being in a position where future capacity expansion is possible at a low incremental cost.

Achieving synergies with our chain of ports to cater to India's international trade

With assets spread across the Indian coastline, we are geared to cater to the ingress and egress cargo movement requirement for both international trade and coastal shipping. We have established ports and terminals with both multi-purpose and cargo specific handling facilities along with integrated ports and related services provided by us. With this network of ports, we are in a position to cater to the demand generated from any part of the country.

- To cater to the high demand generating northern and north western regions of India, we have developed Mundra Port and Kandla Port.

- To cater to the requirement of bulk, liquid and container demand arising from the chemical belt of India and the central Indian hinterland, our Dahej Port and Hazira Port are equipped with marine, handling and storage infrastructure.

- Our recently acquired Dhamra Port enables us to cater to the resource rich eastern and north eastern hinterland providing an optimal cost solution for various minerals and coal exports as well as imports for the land locked eastern India region.

- Our coal terminals at Vizag Port and Dhamra Port enable us to cater the eastern and south eastern parts of central India.

- Our coal terminals at Murmugao Port and Vizag Port enable us to cater to the coal demand of the upper southern and lower central regions of India and can each act as a captive port for large users in the hinterland.

- Our container terminal at Ennore Port and the terminal we are developing at Vizhinjam Port will enable us to cater to southern India's container cargo handling demand.

- As a specific strategy for containerised cargo, we have developed container terminals at various strategic locations, including at our existing ports such as Mundra Port and Hazira Port. Further, as a container terminal developer and operator, our terminals at Mundra Port and Hazira Port and the upcoming container terminal at Ennore Port will provide options to shipping lines to make all their India calls at our ports. Going forward, we may replicate Mundra Port's Arabian Sea transhipment model at Dhamra Port, which offers an opportunity to emerge as a hub for transhipment/feeder of cargo across the Bay of Bengal region.

With these ports and terminals across the country, we have positioned ourselves not only to cater to region specific cargo demands but also to be a port of call for the entire Indian subcontinent.

Business Development and Operations

Our business strategy is specifically tailored across the various strategic business units we operate. Each unit with its diverse characteristic develops and maintains its strategy in line with our core strengths. Key business strategies across individual business units are as set out below:

Dry and Liquid Bulk

Growth and Retention of Business

With our chain of ports, we are well positioned to cater to our country's dry and liquid cargo demand. For dry cargo, our key focus is on coal, fertilisers, steel pipes and agricultural commodities, among other cargo. We have developed coal handling facilities across the demand generating western coast of India and supply oriented eastern coast of India. Not only is India dependent on crude oil and other liquid cargo imports for its energy requirements but we believe it has also faced constraints in relation to liquid cargo storage and evacuation and, therefore, our liquid terminals at Mundra Port and Hazira Port have been developed to support India's storage and evacuation requirement. At Hazira Port, we have developed liquid tank farm storage of 424,000 kilolitres and our liquid storage capacity at Mundra Port is 428,030 kilolitres. We have also recently developed another liquid tank farm of 224,500 kilolitres. We will continue to develop such facilities in the future based on the liquid cargo potential in the region. With a total liquid storage capacity of approximately 852,030 kilolitres, we provide storage for various liquid cargo such as crude oil, petroleum and other lubricants, chemicals

and edible oils. To provide maximum benefit to our customers, we have strategically developed our assets to cater to the largest possible vessel size. To retain our existing customers on a long-term basis, we have entered into long-term port service agreements across all our ports and we intend to continue doing so in the future to sustain the same growth momentum.

Development of Cargo-Specific Hubs

We have developed hubs for dry as well as liquid cargo depending upon the demand of the hinterland. We have also developed specific terminals and storage areas for coal, fertilisers, steel, agricultural commodities and liquids. We are operating one of the largest coal import terminals at Mundra Port which is now catering to the coal requirement of two power plants with an aggregate capacity of approximately 8,600 megawatts together, in addition to other power plants in the hinterland. As a strategy, we envisage the coal bulk terminal handling not only imported coal but also intra-country coal movement for the entire north and north western region of India. To cater to the import of coking coal and exports of thermal coal from the eastern region, we believe our terminals at Dhamra Port have the best-in-class handling and support infrastructure. Further, our coal terminal at Murmugao Port enables us to cater to the coal demand of the upper southern and lower central region of India.

Our liquid storage tanks at Mundra Port and Hazira Port are strategically positioned to cater to the liquid cargo storage requirements of their respective hinterlands. We have obtained licences for storage of various kinds of liquid cargo which help customers bring all kinds of liquid cargo to our port. By developing the liquid tank farms at Hazira Port, we have strategically positioned our facilities to cater to the demand from the Bharuch Ankleshwar chemical belt of Gujarat. At Hazira Port, we have entered into long-term agreements with Cairn Energy, Reliance Industries and BASF for their liquid cargo handling and storage requirements.

Evolving Partnerships for Sustained Growth

For sustainable growth, we have entered into various long-term partnerships with various companies across key cargo segments like coal, crude, petroleum products, automobiles and steel for handling and storage of their cargo. We also have a strong customer base which includes companies such as HMEL and another leading state run crude oil refining company having refineries in north India, which has improved our contracted crude volumes growth. We have developed, and intend to continue developing, dedicated facilities for our customers who commit to significant cargo handling at our ports. As a committed partner, our key contribution is by way of providing state-of-the-art infrastructure and an optimum cost advantage to our customers while they contribute with growing cargo at our ports.

Containers

Growth and Retention of Business

Our strategy for the container business is to focus on the infrastructure requirements for ship liners and container freight stations. By developing deep draft and better mechanised ports, we believe that we have emerged as a preferred port for container handling. To retain our existing container customers, we have tried to reduce the turnaround time at our ports and increase efficiency in terms of evacuation of the containers through rail or road. Our marine services are capable of maneuvering the largest ships visiting the Arabian Sea region. This not only helps to service our existing customers better but also attracts new ship liners to our container terminals.

Interlinked Container Terminals and Transhipment Hubs

With container terminals at Mundra Port and Hazira Port in the west of India, Ennore Port and Vizhinjam Port in the south of India (and operation of Kattupalli Port in the south of India on an interim basis), and the opportunity to develop terminals at Dhamra Port in the east of India, we believe that we have the most container terminals of any indigenous port company in India. This enables us to provide an interlinked option to the shipping companies for their requirements across the country. Our ports have emerged as an important destination for all container ships, due to their best-in-class infrastructure. Our ports not only service the containers for India's demand but also service transhipment cargo. As a container hub, we have positioned our ports to service large container vessels. As a part of our long-term strategy, we believe that Dhamra Port is positioned to emerge as a transhipment/feeder hub for eastern India and the Bay of Bengal region. We are also developing a container terminal at Vizhinjam Port, which is positioned to emerge as a strategic transshipment hub due to its close proximity to the international sea trade routes.

Evolving Partnerships for Sustained Growth

At Mundra Port, we have developed the south basin. We believe that the south basin is positioned to emerge as the container hub of the Arabian Sea region. We have partnered and, going forward, we intend to partner with various shipping lines for the development of deep water container handling facilities at this basin. Currently, we have partnered with MSC and CMA CGM and intend to enter into similar arrangements with various ship liners in the future. While the ship liners get a deep water, well-connected port with ready support infrastructure and therefore lower capital expenditure, we receive steady state revenues in terms of marine income, revenue share and profits. This also helps in the development of our SEZ business.

Development of Industrial Clusters within the SEZ

We possess 8,481.28 hectares (including 168.4 hectares that are sector specific) of notified SEZ land adjacent to Mundra Port. The SEZ has strong competitive advantages in terms of contiguous land, requisite approvals and clearances, connectivity, infrastructure and water and sanitation facilities. With all these strengths, we intend to develop industrial clusters across the SEZ in line with our port operations. We believe that the Mundra SEZ is strategically located to emerge as a hub for industries in oil and gas, manufacturing of industrial components, automobile assembly and ancillary units and agricultural commodities.

Developing Integrated Logistics and Service Provider Play

We have an established network of ports, inland container depots and licences to operate container rakes across India. We believe, as a strategy, our concentration has to be on vertical integration in order to develop world class logistics for the cargo we handle at our ports. As a part of our strategy to develop as an integrated logistics and service provider, we are looking to benefit from our current strengths and build on the opportunities for organic as well as inorganic growth in the future.

Our inland container depots at Patli and Kishangarh are positioned to act as consolidation hubs for cargo from Kashipur, Kilaraipur, Modinagar, Gajrola and other smaller depots from the land locked northern region. The cargo will then be bundled and shipped towards gateway ports.

We have enhanced and we intend to further enhance our network of warehousing complexes, container freight stations, reefer facilities, liquid logistics infrastructure and controlled atmospheric storage units which will enable us to store and transport varied types of cargo from the land locked hinterland to our ports.

The third party logistics solution market in India is at a nascent stage. Companies in textile, automotive, electronics, pharmaceuticals, manufacturing, retail and FMCG sectors are increasingly outsourcing logistics management to specialised third party logistics providers. We envisage using our capabilities and integrated services to provide these entities with a third party logistics solution.

Our rakes, inland container depots, warehouses and the third party logistics models complete our integrated logistics and service provider play right from the doorsteps of the customer to our string of ports, enabling us to become an integrated logistics service provider.

Business Structure

Our organisational structure with equity shareholding in the respective operational entities is set out below.

Entity Name	Our Company's Ownership	Other Owners
Adani Hazira Port Pvt. Ltd.	100%	—
Adani Petronet (Dahej) Port Pvt. Ltd.	74%	26% (Petronet LNG Ltd.)
The Dhamra Port Company Ltd.	100%	—
Adani Ennore Container Terminal Pvt. Ltd.	100%	—
Adani Logistics Ltd.	100%	—
Adani Murmugao Port Terminal Pvt. Ltd.	100%	—
Adani Vizag Coal Terminal Pvt. Ltd.	100%	—
Adani Kandla Bulk Terminal Pvt. Ltd.	100%	—
Adani International Container Terminal Pvt. Ltd. (JV)	50%	50% (Mundi Ltd.)
Adani CMA Mundra Terminal Pvt. Ltd. (JV)	50%	50% (CMA Terminal)
Karnavati Aviation Pvt. Ltd.	100%	—
MPSEZ Utilities Pvt. Ltd.	100%	—
Mundra International Airport Pvt. Ltd.	100%	—
Adani Hospitals Mundra Pvt. Ltd.	100%	—
Mundra SEZ Textile and Apparel Park Pvt. Ltd.	51.4%	48.6%
Adani Vizhinjam Port Pvt. Ltd.	100%	—
Adani Kattupalli Port Pvt. Ltd.	100%	—
The Adani Harbour Services Pvt. Ltd	100%	—
Shanti Sagar International Dredging Pvt. Ltd.	100%	—

(Source: Update on Indian Port Sector 2016)

Description of Business

We provide port and logistics services for various cargos, including dry and liquid bulk, container, crude oil and other cargo, with a focus on container, crude oil and coal (which is a dry bulk) cargo. We currently operate 14 terminals with 37 berths and two single-point mooring facilities at Mundra Port, Dahej Port, Hazira Port, Murmugao Port, Kandla Port, Dhamra Port and Vizag Port. We have recently completed the development of a berth at Dhamra Port and a container terminal with two berths at Ennore Port in Tamil Nadu. We are also developing a deepwater multi-purpose port with two berths at Vizhinjam Port. We have also developed and operate three inland container depots at Patli, Punjab and Kishanghar, Rajasthan, which provide us with a strategic presence in the northern hinterland of India. Our operational facilities and facilities under development are set out below as at 16 June 2017:

Port Name	**Mundra**	**Dahej**	**Hazira**	**Dhamra**	**Murmugao**	**Vizag**	**Kandla**	**Ennore**	**Kattupalli**	**ALL**	**Total**
Hinterland	**North, Western and Central India**	**North, Western and Central India**	**North, Western and Central India**	**Northeastern, Eastern and Southeastern India**	**Lower Western India**	**Lower Eastern India**	**North, Western and Central India**	**Eastern and Southern India**	**Eastern and Southern India**	**Pan-India**	
Capacity (MMT)											
Bulk	100.0	14.0	15.0	35.0	7.0	4.0	14.0	0.0	0.0	0.0	189.0
Crude	50.0									0.0	50.0
Container (mn TEUs)	4.0		1.5						1.2	0.0	6.7
Current (MMT)	**207.4**	**14.0**	**34.9**	**35.0**	**7.0**	**4.0**	**14.0**	**0.0**	**17.5**	**0.0**	**333.8**
Container (mn TEUs)								0.6		0.0	0.6
Trial Runs TEUs	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.6**	**0.0**	**0.0**	**0.6**
Trial Runs (MMT)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**8.8**	**0.0**	**0.0**	**8.8**
LNG	5.0									0.0	5.0
Bulk				16.0						0.0	16.0
Container (mn TEUs)	2.8							0.8		0.0	3.6
Under Development (MMT)	**45.9**	**0.0**	**0.0**	**16.0**	**0.0**	**0.0**	**0.0**	**11.7**	**0.0**	**0.0**	**73.6**
Total Capacity	**253.3**	**14.0**	**34.9**	**51.0**	**7.0**	**4.0**	**14.0**	**20.4**	**17.5**	**0.0**	**416.1**
Status	Operational	Operational	Operational	Operational	Operational	Operational	Operational	Construction Complete	Under Acquisition	Operational	
Opportunity to expand	P	P	P	P	X	X	X	X	P	P	
Average Draft (metres)	17.5-23.0	17.0	17.0	19.0	15.0	15.0	17.0	17.0	18.0	0.0	
Berth Length (metres)	6,004.0	490.0	1,580.0	1,050.0	300.0	280.0	660.0	730.0	710.0	0.0	11,804.0
Fully Mechanised	P	P	P	P	P	P	P	P	P	0.0	
Revenue Share	Nil	Nil	3%> 10 years	currently 5%	20%	40%	25%	37%	currently 3%	0.0	

Port Name	Mundra	Dahej	Hazira	Dhamra	Murmugao	Vizag	Kandla	Ennore	Kattupalli	ALL	Total
Hinterland	North, Western and Central India	North, Western and Central India	North, Western and Central India	Northeastern, Eastern and Southeastern India	Lower Western India	Lower Eastern India	North, Western and Central India	Eastern and Southern India	Eastern and Southern India	Pan-India	
Bulk Handling Crane	28.0	4.0	4.0	5.0	2.0	2.0	4.0		0.0	0.0	49.0
Staker and Reclaimers	10.0	3.0	0.0	5.0	1.0	2.0	0.0	0.0	0.0	0.0	21.0
RMQs	19.0	0.0	6.0	0.0	0.0	0.0	0.0	4.0	6.0	0.0	35.0
RTGs	59.0	0.0	14.0	2.0	0.0	0.0	0.0	12.0	15.0	0.0	102.0
Conveyors (in km)	57.0	10.0	1.8	11.0	3.0	2.0	9.0	0.0	0.0	0.0	93.8
Railway Lines (in km)	225.0	8.0	0.0	63.0	0.0	0.0	10.0	0.0	0.0	6.0	312.0
Locomotives	6.0	0.0	0.0	5.0	1.0	1.0	0.0	0.0	0.0	0.0	13.0
Rakes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.0	10.0
Silos Storage (number)	5.0	2.0	0.0	2.0	1.0	1.0	0.0	0.0	0.0	0.0	11.0
Tankages (KL)	428,030.0	0.0	424,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	852,030.0
Bulk Storage Area (sq m)	1,445,453.0	242,792.0	319,850.0	300,000.0	97,000.0	69,013.0	154,727.0	0.0	293,408.0	19,361.0	2,941,604.0
Container Slots (TGS)	23,861.0		3,381.0					4,200.0	5,100.0		36,542.0
Single-Point Moorings	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0
Jetties	24.0	2.0	6.0	4.0	1.0	1.0	1.0	1.0	2.0	0.0	42.0
Dredgers	11.0	0.0	1.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	17.0
Tug	7.0	2.0	6.0	4.0	0.0	0.0	0.0	0.0	2.0	0.0	21.0
Tariff Fixation	Commercially Negotiated	Commercially Negotiated	Commercially Negotiated	Commercially Negotiated	Regulated	Regulated	Regulated	Commercially Negotiated	Commercially Negotiated	Commercially Negotiated	

Note:

* 1 mn TEUs is equal to 13.33 mmt

** 1 mn TEUs is equal to 14.28 mmt.

Port Services

We are currently able to provide port services at Mundra Port, Dahej Port, Hazira Port, Kandla Port, Ennore Port, Murmugao Port, Vizag Port and Dhamra Port, as well as Kattupalli Port on an interim basis, and plan to provide port services at our other facilities as they become fully operational. Our port services, depending on the types of cargo handled at the facility, include:

- Marine services, including the piloting of vessels using tugs, berthing and de-berthing, and loading and unloading of cargo and containers on and from berthed vessels, and opening and closing container hatches.

- Intra-port transport services, including transporting all types of cargo within the port using conveyors, roads and railway sidings. We transport dry bulk cargo within the port from the berth to storage areas by conveyors and trucks. We transport liquid bulk cargo through pipelines from the vessels to storage tank areas. We transport container cargo between the container terminals and container freight stations.

- Storage and handling services, including storage for dry bulk and liquid bulk cargo. We provide short-term and long-term storage for dry bulk and liquid bulk cargo in the back-up area at Mundra Port. We also load and unload dry bulk and liquid bulk cargo onto or from trucks or railcars for transportation to and from Mundra Port.

- Other value-added services, including: for dry bulk cargo, cleaning, bagging and blending services; for liquid bulk cargo, heating, cooling and blending services; and, more generally, ship chandlering, providing fresh water and consumables, 24-hour water navigation, port maintenance and dredging.

We have also developed, or have access to, each or some of rail, road, pipeline and passenger air connectivity between our facilities and their respective hinterlands. See "— *Mundra Port, Mundra, Gujarat (Operational) — Connectivity*".

A flow chart summarising the port services we provide is set out below:

Mundra Port, Mundra, Gujarat (Operational)

We have developed and operate Mundra Port, which has over six kilometres of total berth length, and the Mundra SEZ, a multi-industry SEZ adjoining Mundra Port and related facilities. Mundra Port and the Mundra SEZ were approved as a SEZ pursuant to an approval dated 12 April 2006. See "— *Special*

Economic Zone Activities". Mundra Port is located on the Gulf of Kutch, approximately 1,100 kilometres southwest of Delhi and approximately 850 kilometres northwest of Mumbai, positioned to service the inland industrial centres of north and northwest India. Mundra Port has one of the deepest water draft depths on the west coast of India, ranging from approximately 17.5 metres to 23 metres berthside, and up to 32 metres at the single-point mooring facilities, allowing us to accommodate capesize container cargo vessels of up to 14,000 TEUs, and VLCCs and ULCCs of up to 360,000 DWTs. In Fiscal Year 2015, the average turnaround time of handling cargo at Mundra Port was 1.4 days and the average pre berthing detention time was 0.3 days over the same period. For the seven-year period since 2010, the CAGR of cargo growth at Mundra Port has been 15.98%.

Mundra Port was, for Fiscal Year 2017, India's largest port, as measured by volume, and currently includes three bulk terminals with 12 berths, three container terminals with six berths, one coal and bulk terminal with four berths, two single-point mooring facilities, portcraft and mechanisation and related infrastructure and equipment. We have developed and operate Mundra Port pursuant to a 30-year concession agreement with the Government of Gujarat and the GMB. See "— *Concession Agreement*".

At Mundra Port, we provide (i) bulk cargo, (ii) container cargo, (iii) crude oil cargo and (iv) value-added port services. We also provide evacuation services, by road, railway and pipeline, and logistics services. See "— *Logistics Services through Adani Logistics (Operational).*"

Bulk Cargo Services

We commenced bulk cargo services for Adani Group companies in October 1998 and commenced commercial operations pursuant to the concession agreement with the GMB in October 2001. Our bulk cargo services include providing port services for dry bulk and liquid bulk cargo at three multi-purpose terminals: Multi-purpose Terminals 1, 2 and 3, which are three terminals located at the main basin of Mundra Port, and the Coal and Bulk Terminal, which is a terminal located at the west basin of Mundra Port.

Multi-purpose Terminals 1, 2 and 3 handle a variety of dry bulk cargo, and Multi-purpose Terminal 1 also handles liquid bulk cargo. Each of the terminals has handling equipment and connectivity infrastructure to load and unload cargo to and from vessels, storage areas and various means of evacuation. Multi-purpose Terminal 1 is also equipped with pipelines to handle liquid bulk cargo, including POL.

The Coal and Bulk Terminal handles a variety of dry bulk cargo, but primarily coal. The Coal and Bulk Terminal consists of a fully mechanised terminal and back-up yard and has a 25 kilometre conveyor that connects the Coal and Bulk Terminal to coal-fired power plants with a total of 8,620 megawatts of operational capacity. We have entered into two port services agreements and cargo handling agreements with Adani Power Limited and one port services agreement with Coastal Gujarat Power Limited (Tata Power Limited's Subsidiary) for its ultra-mega power project that require us to provide port services for the coal used at these power plants. These agreements require us to provide port services, including the berthing and de-berthing of vessels, unloading of imported coal, and loading in and delivery of rakes, for 15 years, 15 years, 25 years and 25 years from the dates that specified coal-fired power plants commence commercial operations, respectively. With its deep draft the Coal

and Bulk Terminal can accommodate super capesize vessels of up to 250,000 DWT. Details of the infrastructure at and locations of Multi-purpose Terminals 1, 2 and 3 and Coal and Bulk Terminal are set out below:

Particulars	Multi-Purpose Terminal 1	Multi-Purpose Terminal 2	Multi-Purpose Terminal 3	Coal and Bulk Terminal
Cargo type	Dry and liquid bulk		Dry bulk	
Draft		- 17.5 metres		- 19 to -20 metres
Vessel size		Capesize		Super capesize
Berths	4	4	4	4
Berth length	815 metres	575 metres	1,096 metres	1,460 metres
Equipment	8 cranes	8 cranes	8 cranes	7 stacker reclaimers 25 kilometres conveyor

(Source: Update on Indian Port Sector 2016)

Container Cargo Services

We commenced container cargo services in July 2003 and provide marine, intra-port transport, storage and handling and other services at Container Terminals 1, 2 and 3 and an automobile handling facility. We have entered into a sub-concession agreement with Mundra International Container Terminal Private Limited ("**MICTL**") to operate Container Terminal 1 and have also entered into a joint venture with Mundi Limited dated 3 October 2011 to operate Container Terminal 3 through a sub-concession agreement with AICTPL. We operate Container Terminal 2 and the automobile handling facility ourselves. We entered into a joint venture agreement on 24 June 2014 with CMA Terminals for the development of Container Terminal 4.

- *Container Terminal 1*. At Container Terminal 1, we provide marine, intra-port transfer and evacuation services, and contract the storage and handling services to MICTL pursuant to the CT1 Sub-concession Agreement. Pursuant to the CT1 Sub-concession Agreement, MICTL provides certain storage and handling services and other services. We receive royalties tied to MICTL's gross operating income attributable to services we provide, with a minimum guaranteed amount.

- *Container Terminal 2*. At Container Terminal 2, we provide all marine, intra-port transport, storage and handling and other services. These other services include stuffing and de-stuffing containers, cargo consolidation, packing and repackaging and cargo warehousing.

- *Automobile Handling Facility*. The automobile handling facility, located adjacent to Container Terminal 2, commenced operations in January 2009 and accommodates automobile exports and related logistical services for automobile manufacturers.

- *Container Terminal 3*. We have developed and operate Container Terminal 3, where we provide marine services, intra-port transfer and evacuation services. We have also entered into a sub-concession agreement with AICTPL, in which our Company holds a 50% equity shareholding, to perform the storage, handling and other value-added services for Container Terminal 3. Incorporated in 2011, AICTPL is a 50:50 joint venture between our Company and

Terminal Investment Limited, SA group (TIL). TIL is a Subsidiary of MSC (65% stake) which is the world's second-largest shipping line in terms of container vessel capacity. Details of the infrastructure at Container Terminals 1, 2 and 3 are set out below:

Particulars	Container Terminal 1	Container Terminal 2	Container Terminal 3
Cargo type		Containers	
Draft		- 17.5 metres	
Vessel size		>14,000 TEUs	
Berths	2	2	2
Berth length	624 metres	624 metres	810 metres
Cranes	6	6	6

Crude Oil Cargo Services

We commenced crude oil cargo services in Fiscal Year 2006 and provide crude oil cargo services through two single-point mooring facilities. These facilities consist of buoys that float approximately eight kilometres offshore, with a water depth of 32 metres to handle VLCCs and ULCCs of up to 300,000 DWT, and are attached by dedicated pipelines to two refineries. We provide port services to these two refineries pursuant to two agreements with terms extending until 16 February 2031. Pursuant to these agreements, we provide piloting, hauling, mooring, de-mooring and berthing services, and sub-lease land for crude oil storage tanks. In return, we receive royalty payments based on among others the volume of cargo handled each year and wharfage fees.

Railway Services

We provide railway services to move cargo on rail sidings in Mundra Port along the private 64 kilometre Mundra-Adipur double track railway line, which connects Mundra Port to the Indian Railways rail network at Adipur, Gujarat. At Mundra Port, we provide railway services, including loading and unloading cargo from storage areas and into and from train wagons, and transporting cargo using our own locomotives. In total, we have seven railway sidings and two locomotives in use at Mundra Port. We have also developed and operate a 22 kilometre railway line through the Mundra SEZ, connecting Mundra Port to the Mundra-Adipur railway line. We constructed, own and operate the railway line and receive a portion of freight revenues received for cargo hauled on this railway line.

Concession Agreement

We have the right to develop, operate and maintain land located at Mundra Port in Mundra, Gujarat until 16 February 2031, with an option to extend subject to certain terms and conditions, pursuant to a concession agreement, dated 17 February 2001, entered into between our Company, the GMB and the government of Gujarat. This land includes approximately 3,404 acres. We also entered into a lease agreement with GMB on 28 September 2000 pursuant to the concession agreement.

Pursuant to the concession agreement, we have the following rights and entitlements:

- develop various assets, including a multi-purpose jetty, jetty approach head and dry bulk container jetty, shared services, terminals and certain instable assets;

- grant sub-concessions for all assets, except core assets, as are consistent with, and coterminous or terminating earlier than, the concession agreement;

- sub-contract with third parties and mortgage our leasehold interests in the land and waterfront; and

- collect fees for services rendered at the port.

We must pay the GMB concessional waterfront royalties for each tonne, and varying by type, of cargo handled at Mundra Port. These royalties increase by 20.0% every three years. When the concession agreement expires, all immovable and essential movable contracted assets will be transferred to the GMB. We will receive consideration based on historical cost of the assets, subject to depreciation, as determined by an independent appraisal team. If the concession agreement is terminated early due to a default by either party, the assets will be transferred to the GMB. In return, we will receive compensation based on an independent valuation of the assets, adjusted based on which party defaulted, as set out in the concession agreement. See "*Risk Factors — Risks Related to Our Business We face a variety of risks in connection with our reliance on concessions, sub-concessions and licences from government and quasi-governmental organisations. The terms of these agreements include certain events of default, the occurrence of which could adversely affect our business, cash flows and results of operations*".

Long-term Agreements

We have entered into several long-term port service agreements to provide port services within Mundra Port to various petroleum refineries, power plants, automobile manufacturers and container service providers. These long-term port service agreements are valid for the concession period of the port and have clauses for cost escalation based on WPI and CPI indexes.

Port Craft and Mechanisation

We have a fleet of 17 dredgers to develop and maintain deep drafts at the basins of the various ports at which we have operations. These dredgers allow us to create and maintain deep drafts to allow our ports to handle larger cargo vessels. We also own and operate 21 tugs, which we use to manoeuvre vessels in and out of the terminals. These tug boats provide marine services, such as pulling, berthing, deberthing and stabilising vessels, including capesize, ULCC and VLCC vessels.

Special Economic Zone Activities

We are the primary developer of the Mundra SEZ, a multi-purpose SEZ in and around Mundra, and are responsible for planning, zoning and developing the Mundra SEZ and its infrastructure, as well as attracting outside investment. We have commenced construction of key arterial roads, water supply and drainage facilities, sewage and sanitation across the Mundra SEZ. We have also sourced co-developers who have been approved by the Government of India, to construct and operate various infrastructure facilities.

We provide land and infrastructure to various parties for their use. For example, we have entered into sub-lease agreements with MICTL, crude and other oil refineries, liquid bulk manufacturers and container freight station operators permitting these parties to use our land for port-based commercial activity and related development. We have also leased land to third parties interested in establishing industrial infrastructure, such as Alstom Bharat Forge Power Limited.

We have also received approval from the Ministry of Commerce to combine the Mundra SEZ, which is multi-purpose, with the sector-specific SEZ of Adani Power. Adani Power has been named a co-developer of the Mundra SEZ. We received approval to develop the Mundra SEZ from the

Government of India on 12 April 2006. We have received notification of the land, akin to confirmation of possession, from the Government of India for 8,481.28 hectares (including 168 hectares that are sector specific). We will continue to seek notification of the remaining land we have in possession and the new land we acquire.

Connectivity

We have developed and operate a private 64 kilometre double track railway line between Mundra and Adipur, connecting Mundra Port to the Indian Railways network at Adipur, Gujarat. We have also constructed and operate a 22 kilometre railway line through the Mundra SEZ, connecting Mundra Port to the Mundra-Adipur railway line and nearby power plants. At Adipur, two railway lines ultimately connect Adipur to Delhi and Bhatinda, respectively. The railway line through Gandhidham-Palanpur, ultimately connecting to Delhi, was converted to a broad gauge track by Kutch Rail Company Limited, in which we hold a 20.0% equity interest. The railway line through Bhildi-Luni, ultimately connecting to Bhatinda, was converted to a broad gauge track, capable of handling double-stack trains, by the Indian Railways. The Indian Railways also operates the only "python", or long-haul, train, which increases throughput by running with more than 90 wagons, equivalent to combining two container loaded trains into one train, from Mundra Port.

By rail, Mundra Port is approximately 245 kilometres closer to Delhi, and approximately 408 kilometres closer to Bhatinda than the Mumbai Port, and approximately 86 kilometres closer to Delhi, and 249 kilometres closer to Bhatinda than the Pipavav Port.

Origin		**Advantage**
Destination	**Distance**	**Mundra**
	(km)	**(km)**
Mundra-Delhi.	1,105	—
Mundra-Bhatinda.	1,128	—
Mumbai-Bhatinda.	1,536	408
Mumbai-Delhi.	1,350	245
Pipavav-Delhi.	1,191	88
Pipavav-Bhatinda.	1,377	249

(Source: Indian Railways.)

We expect that railway connectivity between Mundra Port and north and west India may be further enhanced by proposed railway lines and lines under construction, including a railway line between Palanpur and Adipur, which is under construction by the Indian Railways, and a proposed dedicated high-speed freight corridor connecting Delhi and Mumbai, with branches to ports in Gujarat.

- *Road*. Mundra Port is connected by a six-lane road to Mundra, which is linked to National Highway 8A, National Highway 15 and state highways, including the Mundra-Anjar state highway. We have also constructed flyovers and roads across the Mundra SEZ to improve

intra-port and intra-Mundra SEZ road connectivity. Mundra Port is well connected by road to the hinterlands of Gujarat, Rajasthan and Punjab. By road, Mundra Port is approximately 278 kilometres closer to Delhi than the Mumbai Port and approximately 83 kilometres closer than the Pipavav Port.

- *Pipeline*. Mundra Port and storage tanks are connected by two dedicated pipelines for crude oil to two refineries and one dedicated pipeline for POL.

A customer has constructed a 48-inch pipeline to transport crude oil from Mundra Port to its refinery in Panipat, Haryana, and a second customer has constructed a 48-inch pipeline to transport POL from Mundra Port to Bahadurgarh, near Delhi. A third customer has constructed a pipeline to transport crude oil from Mundra Port to its refinery at Bhatinda, Punjab.

- *Airstrip*. We have constructed and operate a three kilometre airstrip within Mundra Port, which currently handles private passenger planes. Customers within the Mundra SEZ and the neighbouring hinterlands currently use the facility.

Dry Bulk Cargo Terminal at Dahej Port, Dahej, Gujarat (Operational)

At Dahej Port, we have developed and operate and maintain a dry bulk cargo terminal, where we commenced dry bulk cargo services in 2011.

The berths at the terminal are equipped with four mobile harbour cranes and equipment for handling cargo, including a rapid load system, conveyor systems, mooring winches and stacker cum reclaimers. We also own and operate two tugs, which are capable of stevedoring capesize vessels.

Dahej Port is close to a cluster of chemical, textile, industrial and agricultural manufacturing facilities and power plants. Details of the infrastructure and layout of the terminal are set out below:

Particulars	**Terminal at Dahej**
Cargo type	Coal and other dry bulk
Draft	- 17 metres
Vessel size	Capesize vessel
Berths	2
Berth length	490 metres
Cranes	4

Connectivity

Dahej Port is located on the Gulf of Khambat along the Vadodara-Mumbai corridor between southern Gujarat and northern Maharashtra. Dahej Port caters to the dry bulk cargo requirements of the chemical, textile, power generation and agricultural industries of Gujarat, Madhya Pradesh, north and central Maharashtra. Primary cargo handled includes coal, fertiliser, dried oil cake, steel, rock phosphate, silica sand, project cargo and cement. Dahej Port is connected to National Highway 8, which connects Delhi to Mumbai, by an approximately 42 kilometre four-lane road. The Dahej railway station, two kilometres away from Dahej Port, is connected by an approximately 62 kilometre broad gauge railway line to Bharuch, Gujarat, which was recently upgraded by Bharuch Dahej Railway Corporation Limited, in which Adani Dahej holds a 10.5% equity stake.

Concession Agreement

Our Company holds a 74.0% equity shareholding in Adani Dahej, a joint venture between our Company and Petronet LNG Limited (which holds the remaining 26.0% equity shareholding in Adani Dahej). Petronet LNG Limited selected our Company as a joint venture partner for Dahej Port, following which our Company incorporated Adani Dahej as a joint venture to procure finance for and implement the terminal at Dahej Port through a joint venture agreement dated 28 July 2008. Pursuant to a sub-concession agreement, dated 3 January 2007, between Adani Dahej, Petronet LNG Limited and the GMB, Adani Dahej has the exclusive right to develop the terminal on a build-own-operate-transfer basis until 19 December 2035.

Pursuant to this agreement, Adani Dahej must pay a monthly waterfront royalty per tonne of cargo handled at the terminal. Adani Dahej is entitled to fix and collect fees for services provided under the agreement in accordance with applicable laws. Adani Dahej has also entered into a lease and possession agreement dated 30 May 2013 for the use of the land at the terminal and pays a quarterly rental, escalating at 10% every three years.

Multi-purpose Terminal and Cargo Terminal at Hazira Port, Hazira, Gujarat (Operational)

We have developed and, in February 2013, commenced operations of a multi-purpose terminal and a container cargo terminal at Hazira Port, where we provide port services for dry and liquid bulk and container cargo.

Hazira Port is in close proximity to Dahej Port, and, unlike our facilities at Dahej Port, which handle only dry bulk cargo, handles liquid bulk cargo and container cargo. We intend for our terminals at Hazira Port to complement Dahej Port, allowing us to provide a multi-cargo port service to the hinterlands in central and southern India. Details of the infrastructure and layout of the terminal are set out below:

Particulars	Terminal at Hazira
Cargo type	Multi-cargo
Draft	17 metres
Vessel size	Capesize vessel, 8,500 TEUs.
Berths	5
Berth length	1,580 metres
Cranes	10 cranes, 14 RTGs

Connectivity

Hazira Port is situated 22 kilometres from Surat, Gujarat, in an industrial zone with industries such as textiles, diamond, oil, gas, petrochemicals, steel, shipbuilding, fertiliser and heavy engineering. National Highway 6 is a two-lane road that originates at Hazira Port and connects to National Highway 8. Surat is located on the broad gauge double-track rail route between Delhi and Mumbai. Hazira Port is also serviced by an airport at Surat.

Bulk and General Cargo Terminal Agreement

Through our Company's wholly-owned Subsidiary, Adani Hazira, we have the right to develop, construct, operate and maintain a multi-purpose terminal, container terminal and related infrastructure

at Hazira Port for a period consistent with the term of the concession agreement dated 22 April 2002, entered into between GMB, Hazira Port Private Limited and GOG. Adani Hazira, a sub-concessionaire, is developing the terminal pursuant to a bulk and general cargo terminal agreement, dated 25 November 2010, with the GMB and Hazira Port Private Limited ("**HPPL**"), which is the concessionaire from the GMB and a joint venture between Shell Gas BV and Total Gaz Electricite Holdings Finance. Pursuant to the bulk and general cargo terminal agreement, Adani Hazira is required to design, develop, own, operate and maintain the bulk and general cargo terminal, handling facilities, equipment, machinery and other related infrastructure. Adani Hazira is required to obtain prior consent of GMB, HPPL and the Government of Gujarat for change in management, ownership or merger. Pursuant to this agreement, Adani Hazira will receive port fees for the first 10 years from the licensor and will not pay revenue share as defined in the concession agreement. Thereafter, 3.0% of its gross revenue from this terminal will be paid to HPPL in addition to a port facilities fee of U.S.$9.3 million per year. Adani Hazira is entitled to fix and collect fees for services provided under this agreement in accordance with applicable laws. Adani Hazira also entered into a sub-lease agreement with HPPL dated 15 October 2012, along with a supplemental agreement dated 11 November 2014.

Coal Handling Terminal at Murmugao Port, Vasco da Gama, Goa (Operational)

We have developed a coal handling terminal at Murmugao Port, and cargo handling operations commenced in July 2014.

Details of the infrastructure and layout of the terminal are set out below:

Particulars	**Terminal at Murmugao**
Cargo type	Coal
Draft	- 15 metres
Vessel size	Panamax
Berths	1
Berth length	300 metres
Cranes	2

The terminal has one berth capable of accommodating vessels of up to 100,000 DWT and is equipped with two cranes, a stacker reclaimer, a truck loading system, a 2.6 kilometre conveyor system and a wagon loading system. The board of trustees for Murmugao Port will provide access to, and maintain, all infrastructure, facilities and utilities at Murmugao Port, and provide for supporting project infrastructure, grant approvals and consents, and maintain the required dredged depths in the inner harbour, entrance channel and turning basin.

Connectivity

Murmugao Port is situated on an open natural harbour at the mouth of the Zuari River in Goa and is expected to primarily cater to the coal demand of nearby steel manufacturers and power plants. Murmugao Port is connected to Goa by a four-lane road. Two national highways connect Goa and other Indian states. National Highway 17 provides connectivity with Maharashtra and Karnataka, and National Highway 4A provides connectivity through Karnataka to the east coast of India. Murmugao

Port is connected by an approximately three kilometre broad gauge railway line with the Vasco da Gama railway station in Goa. Goa is in turn connected with neighbouring states by railways operated by south central railways and konkan railways, which provide north-south and east-west connectivity, respectively.

Concession Agreement

Our Company and Adani Enterprises Limited hold 74.0% and 26.0% interests, respectively, in Adani Murmugao. Our Company entered into a memorandum of understanding dated 15 February 2016 to acquire the 26.0% interest held by Adani Enterprises Limited, subject to the provisions of the concession agreement. The transfer of interest will become effective three years from 1 August 2014, the date of commencement of operations of Adani Murmugao. The coal handling berth is 300 metres long with mechanised handling and back-up facilities, and commenced handling cargo in July 2014. Pursuant to a concession agreement dated 22 September 2009 with Murmugao Port Trust, Adani Murmugao developed the berth on a design, build, finance, operate and transfer basis until 15 May 2040.

Pursuant to this concession agreement, Adani Murmugao must pay 20.0% of its gross revenue from tariffs collected in accordance with this concession agreement to Murmugao Port Trust as royalty. The tariffs are calculated on a monthly basis and levied in accordance with the notifications by the TAMP, which specifies the maximum levy. Under the terms of this concession agreement, Adani Murmugao:

- is required to secure business for a minimum guaranteed cargo of 0.8 mmtpa for the first year from date of commercial operation, 1.1 mmtpa for the second year, 1.4 mmtpa for the third year;
- 1.7 for the fourth year and 2.0 mmtpa for the remainder of the concession period;
- will pay an annual licence fee in accordance with the scale of rates of Murmugao Port Trust with an annual escalation of 2.0%, subject to notification by the TAMP, thereafter; and
- will pay and additional pension levy of 7%, subject to revision by TAMP or any other authority.

Coal Handling Terminal at Vizag Port, Visakhapatnam, Andhra Pradesh (Operational)

We have developed and commenced operations of a coal handling terminal at Vizag Port in July 2014 where we provide port services for coal cargo.

Details of the infrastructure and layout of the terminal are set out below:

Particulars	**Terminal at Vizag**
Cargo type	Coal
Draft	- 15 metres
Vessel size	Panamax
Berths	1
Berth length	280 metres
Cranes	2

The terminal has mechanised coal handling facilities, coal handling machinery and equipment, infrastructure to evacuate coal by railway, a coal storage yard, two cranes, two stacker reclaimers and a 2.1 kilometre conveyor. Vizag Port is located close to local industries and power plants in Andhra Pradesh and Odisha.

Concession Agreement

Through our Company's wholly-owned Subsidiary, Adani Vizag, we have the right to design, build, finance, operate and transfer the coal handling terminal and related facilities at Vizag Port until 7 August 2042, pursuant to a concession agreement dated 1 August 2011 with the Board of Trustees for the Visakhapatnam Port (the "**Vizag Port Trust**"). Pursuant to this concession agreement, Adani Vizag must pay 40.3% of its gross revenue from the tariffs collected in accordance with this concession agreement to Vizag Port Trust as royalty. The tariffs are calculated on a monthly basis and levied in accordance with the notifications by the TAMP, which specifies the maximum levy. Under the terms of this concession agreement, Adani Vizag:

- is required to secure business for a minimum guaranteed cargo of 1.6 mmtpa for the first three years from date of commercial operation, 2.6 mmtpa for the fourth and fifth years and 3.9 mmtpa for the rest of the concession period; and

- is required to pay a licence fee of Rs. 18.9 million for the first year after entering into the concession agreement and an amount escalating at 2.0% per year thereafter.

The Board of Trustees for the Visakhapatnam Port will provide access to all infrastructure, facilities and utilities at the port, maintain general port infrastructure and provide for supporting project infrastructure, grant approvals and consents, and maintain the required dredged depths in the inner harbour, entrance channel and turning basin. As a part of our strategy, our Company has been focusing on operating ports which have ready accessibility to large vessels. Currently, the inner harbour of Vizag Port does not have ready accessibility to large vessels.

Multi-purpose Terminal at Dhamra Port, Odisha (Operational)

Following our acquisition of Dhamra Port on 23 June 2014, we operate and maintain a dry bulk cargo terminal at Dhamra Port. The berths at the terminal are equipped with two ship unloaders, one loader, two wagon tipplers, four stacker cum reclaimers, one reclaimer, two wagon loading silos with rapid loading systems, an in motion weighbridge and conveyor systems with associated equipment and utilities. Three tugs are being operated by TAHSPL so as to provide towage services at Dhamra Port.

In Fiscal Year 2015, the average turnaround time of handling cargo at Dhamra Port was 1.8 days and the average pre berthing detention time was 0.6 days over the same period. In Fiscal Years 2015 and 2016, operating expenses at Dhamra Port in accordance with Indian GAAP were Rs. 2,833.1 million and Rs. 2,230.4 million, respectively; finance costs were Rs. 3,501.3 million and Rs. 1,702.6 million, respectively, and profit after tax was Rs. 705.6 million and Rs. 1,144.7 million, respectively. In Fiscal Years 2016 and 2017, operating expenses at Dhamra Port in accordance with Ind AS were Rs. 2,230.4 million and Rs. 3,108.5 million, respectively, finance costs were Rs. 2,064.9 million and Rs. 2,593.6 million, respectively, and profit after tax was Rs. 786.3 million and Rs. 3,899.6 million, respectively.

Dhamra Port, being the only port between the ports at Paradip and Haldia, is well located to benefit from the resource rich hinterland of Odisha, Jharkhand and West Bengal. Details of the infrastructure and layout of the terminal are set out below:

Particulars	Dry Bulk Terminal at Dhamra Port
Cargo type	Dry Bulk
Draft	- 19 metres
Vessel size	Capesize vessel
Berths	3
Berth length	1,050 metres
Ship unloaders	2
Cranes and Stacker Reclaimers	10 (5+5)

Connectivity

Dhamra Port is located in Odisha on the east coast of India. The port is well protected from the forces of waves and currents of the ocean by a group of barrier islands. A 63 kilometre road connects Dhamra Port to Bhadrak. Vasudevpur is the nearest town to Dhamra Port, which is located on National Highway 5, connecting Chennai and Kolkata. The south eastern railway line serves the coastal location in Odisha. The nearest railway station to Dhamra Port on the Chennai-Howrah broad gauge main line is Bhadrak. Dhamra Port also has a 125 metre wide corridor available for further evacuation infrastructure development.

Concession Agreement

The concession was awarded by the Government of Odisha under an agreement dated 2 April 1998. The duration of the concession period is 34 years, which includes a period of four years for construction, and comes to an end 34 years from 30 August 2008. The lease period which is contiguous with the concession period. The lease period may be renewed or extended by the government of Odisha for two additional periods of 10 years each.

Dhamra Port shall share 5.0% of its gross income from years one to five, 8.0% of its gross income from years six to 10, 10.0% of its gross income from years 11 to 15, and 12.0% of its gross income from year 16 to the end of the lease period with the government of Odisha (where gross income is determined in the manner specified in the concession agreement). The lease charges payable shall be 6% of the fair market value, as on the date of notification, subject to escalation at 10% every three years.

Dry Bulk Cargo Terminal at Kandla Port, near Gandhidham, Gujarat

We have developed and commenced operations of a dry bulk cargo terminal at Kandla Port in February 2015 where we provide dry bulk cargo services at four berths.

Road and rail connectivity of Kandla Port to the Gandhidham, Gujarat area are being utilised.

Concession Agreement

Our Company and Adani Enterprises Limited hold 74.0% and 26.0% interests, respectively in Adani Kandla, through which we have the right to build, operate and transfer a dry bulk cargo terminal near

Tuna, at Kandla Port, which is adjacent to Kandla Port near Gandhidham, Gujarat. Our Company entered into a memorandum of understanding dated 15 February 2016 to acquire the 26.0% interest held by Adani Enterprises Limited, subject to the provisions of the concession agreement. The transfer of interest will become effective three years from 17 March 2015, the date of commencement of operations of Adani Kandla. Adani Kandla is developing the terminal pursuant to a concession agreement, dated 27 June 2012, with the Board of Trustees for Kandla Port Trust (the "**Kandla Port Trust**") until 18 December 2042. Pursuant to this concession agreement, Adani Kandla must pay 25.1% of its gross revenue from the provision of tariffs in accordance with this concession agreement to Kandla Port Trust. The tariffs are calculated on a monthly basis and levied in accordance with the notifications by the TAMP, which specifies the maximum levy. Under the terms of this concession agreement, Adani Kandla:

- has provided Kandla Port Trust with a performance guarantee for a sum of Rs. 410 million;
- is required to secure business for a minimum guaranteed cargo of 3.5 mmtpa for the first two years from date of commercial operation, 4.2 mmtpa for the third year, 5.6 mmtpa for the fourth year and 7.0 mmtpa for the rest of the concession period; and
- is required to pay a licence fee of Rs. 88.1 million per year, subject to any revision of the licence fee payable in respect of the land use by the TAMP and a royalty of 25.1% of gross revenue.

Kandla Port Trust will provide access to all infrastructure facilities and utilities at the port, maintain general port infrastructure and provide for supporting project infrastructure, grant approvals and consents, and maintain the required dredged depths in the inner harbour, entrance channel and turning basin.

Container Terminal at Ennore Port, Tamil Nadu

Our wholly-owned Subsidiary, Adani Ennore, has been awarded a concession and executed a concession agreement dated 15 March 2014 for the development of a container terminal with a capacity of 1.4 million TEUs at Ennore Port on a design, build, finance, operate and transfer basis for a period of 30 years till 2044. Kamarajar Port Limited will provide access to, and maintain, all infrastructure, facilities and utilities at Ennore Port, and provide for supporting project infrastructure, grant approvals and consents, and maintain the required dredged depths in the inner harbour, entrance channel and turning basin. Details of the infrastructure and layout of the terminal are set out below:

Particulars	**Terminal at Ennore Port**
Cargo type	Container
Draft	- 16.5 metres
Vessel size	>14,000 TEU vessel
Berths	2
Berth length	730 metres
Cranes	6

Connectivity

Ennore Port is situated approximately 40 kilometres north of Chennai in the state of Tamil Nadu, on the east coast of India. The present connectivity of Ennore Port to three national highways (National

Highway 5 connecting Chennai and Kolkata and passing through major cities such as Vijayawada, Visakhapatnam and Cuttack; National Highway 4 linking Chennai and Mumbai passing through Bengaluru and Pune; and National Highway 45 linking Chennai and Madurai and connecting the southern parts of Tamil Nadu) is through the port access road, Tiruvottiyur-Ponnert-Panchetty and the inner ring road. The port is also connected to the southern railway network at Attipattu and Attipattu Pudhunagar railway stations.

Concession Agreement

The container terminal has two berths with an aggregate length of 730 metres in total with mechanised handling and back-up facilities. Pursuant to a concession agreement dated 15 March 2014 with Kamarajar Port Limited, Adani Ennore must pay 37.0% of gross revenues chargeable by Adani Ennore to Kamarajar Port Limited. The tariffs are calculated on a monthly basis and levied in accordance with the TAMP notifications. The term of this concession agreement is 30 years from 20 October 2014.

Kattupalli Port, Tamil Nadu

On 9 November 2015, our Company entered into an in-principle agreement for the strategic acquisition of the port business at Kattupalli port of L&T Shipbuilding Limited, a subsidiary of Larsen & Toubro Limited (the "**Implementation Agreement**"). Kattupalli port is a Non-major port situated at Kattupalli village, Ponneri Taluk, Tiruvallur, Tamil Nadu. The acquisition remains subject to, amongst other things, fulfillment of the conditions stipulated in the approval received from TNMB and completion of certain conditions stipulated under the Implementation Agreement. The acquisition is effective upon the satisfaction of the stipulated conditions precedent.

Details of the infrastructure and layout of the terminal are set out below:

Particulars	**Terminal at Kattupalli Port**
Cargo type	Multi-cargo
Draft	- 18 metres
Vessel size	>10,000 TEU vessel
Berths	2
Berth length	710 metres
Cranes	6

Connectivity

Kattupalli Port is situated approximately 40 kilometres north of Chennai in the state of Tamil Nadu, on the east coast of India. Kattupalli Port is connected to three national highways (National Highway 5 connecting Chennai and Kolkata and passing through major cities such as Vijayawada, Visakhapatnam and Cuttack; National Highway 4 linking Chennai and Mumbai, and passing through Bengaluru and Pune; and National Highway 45 linking Chennai and Madurai and connecting the southern parts of Tamil Nadu) through the port access road, Tiruvottiyur-Ponneri-Panchetty and the inner ring road. The port is also connected to the southern railway network at Attipattu and Attipattu Pudhunagar railway stations.

Operations and Maintenance Agreement

Pending acquisition of the port business at Kattupalli Port, AKPL entered into an interim operator agreement with Larsen & Toubro Limited wherein AKPL has been appointed as the operator of Kattupalli Port. The port has permission to handle multi-user specific and multi-commercial cargo on a build own operate and share basis. Since AKPL commenced operations at Kattupalli Port on 1 November 2015, the cargo volumes handled increased significantly.

Multi-purpose Terminal at Vizhinjam Port, Kerala

Our wholly-owned Subsidiary, Adani Vizhinjam, has been awarded a concession and executed a concession agreement dated 17 August 2015 for the development of a multi-purpose international deepwater seaport at Vizhinjam on a design, build, finance, operate and transfer basis for a period of 40 years until 2055. The concession is extendable by another 20 years until 2075, subject to certain terms and conditions specified in the aforementioned concession agreement.

Vizhinjam is envisaged as an all-weather, multicargo port and is located in the Indian state of Kerala, 16 km south of the state capital, Thiruvananthapuram. The port location was selected to tap the potential of development of a deep water international container transhipment port. The proposed site is on the international shipping route connecting Europe, the Persian Gulf and the Far East, very close to the east-west shipping axis within 10 nautical miles.

Details of the infrastructure and layout of the proposed port are set out below:

Particulars	**Terminal at Vizhinjam Port**
Cargo type	Multi-purpose
Draft	18-20 metres
Vessel size	Up to 18,000 TEU vessels
Berths	2
Berth length	800 metres

Connectivity

The port will have excellent road connectivity from National Highway 47. Around 95% of the cargo will be moved by road as the primary hinterland is within a radius of 300 kilometers. The port is also expected to be connected by a rail link.

Concession Agreement

The proposed port will have two berths with an aggregate length of 800 meters as part of Phase 1 of the project, with mechanised handling and back-up facilities. There is scope for further extension up to six berths with total length of up to 2,400 metres. Pursuant to the concession agreement dated 17 August 2015 with the government of Kerala, Adani Vizhinjam must pay 1% of all fees realisable under the concession agreement from the 16th year of operation chargeable by Adani Vizhinjam to the government of Kerala. The revenue share as percentage of gross revenue will increase by 100 basis points every year thereafter subject to a maximum share of 40% of all fees realisable under the concession agreement.

Logistics Services through Adani Logistics (Operational)

We provide logistics services through our wholly-owned Subsidiary, Adani Logistics, pursuant to a concession agreement dated 4 January 2007 between Adani Logistics, our Company and the Indian Railways. Pursuant to this concession agreement, the Indian Railways uses locomotives to haul our trains of container cars on a non-discriminatory and non-exclusive basis. We currently own and operate six trains of container cars across India.

We also developed, operate and maintain three rail-linked inland container depots. Our existing container depots are at Patli, Punjab, Kilaraipur and Kishangarh. Each inland depot is, and we plan for future inland depots to be, in close proximity to existing broad gauge rail networks.

Sales and Marketing

We prepare and implement a comprehensive sales and marketing plan annually. The primary purpose of our sales and marketing plan is to promote our port services business and to develop a better understanding of the needs and requirements of our customers. We are focused particularly on securing long-term contractual arrangements and pursuing strategic relationships with our customers.

Our sales and marketing teams are organised to handle existing customer relationships, new customer sales, corporate marketing and strategic partnerships. These teams are based at the ports and at important business centres, such as Mumbai and Delhi, where port users' decision makers are based. These teams are supported by service and cargo experts who create or customise service offerings to address specific customer needs, as well as a team of sales support professionals. Our sales teams work together with the relevant service or cargo experts and our sales support team to pursue prospective customers.

Insurance

We are covered by insurance policies for losses caused by accidents, fire, floods, riots, strikes and malicious damage for losses suffered by our customers and third parties for loss of profit. These insurance policies include coverage for damage to our port, facilities, equipment, machinery, buildings and other properties. We believe that our properties are covered with adequate insurance and with commercially reasonable deductibles and limits on coverage, which are normal for the type and location of the assets and properties to which they relate.

Health, Safety and Security

We have implemented work safety measures to ensure a safe working environment at our facilities and to the general public. Each facility has its own work safety management department that monitors and ensures compliance with the health and safety of the facility. We have also established a committee for work safety which sets safety standards, including procedures for loading and unloading cargo, handling dangerous cargo, warehousing, firefighting and berthing and de-berthing. We also have firefighting equipment, including two mobile firefighting units and ambulances and an experienced firefighting crew.

Our marine and cargo handling operations at Mundra Port are certified for quality management systems by ISO 9001:2008, environment management system by ISO 14001:2004 and Occupational health and safety management system by ISO 18001:2007.

Our cargo handling operations at Dahej Port have been certified for quality management system by ISO 9001:2008. This certification has expired and we have initiated the process of renewal.

Our marine and cargo handling operations at Hazira Port have been certified for quality management systems by ISO 9001:2015, environment management system by ISO 14001:2015 and occupational health and safety management system by ISO 18001:2007.

We have a dedicated risk and compliance team that designs internal control procedures and ensures that these procedures adhere to statutory regulations and our third party contracts. We also conduct periodic internal audits of our internal control procedures, including over physical inventory, security systems and billing systems. Our internal control procedures include the separation of powers between our Board of Directors and senior management.

Environmental Compliance and Eco-friendly Initiatives

We have obtained ISO 14001:2004 for our environmental management systems.

We have a dedicated environmental compliance team, which also undertakes eco-friendly initiatives, including for energy efficiency at Mundra Port, a diesel emission reduction programme, an alternative fuel programme and the use of new technologies to reduce emissions. We have also undertaken afforestation projects and have developed and maintained a green zone near Mundra Port. For these and other efforts, we are the only privately owned Indian port operator to be awarded a seat at the C40 World Ports Climate Conference.

Further, MoEF, by way of order dated 16 September 2015, has issued certain directions requiring us to implement conservation and ecological maintenance plans in certain areas near Mundra Port. For further details, see "*Legal Proceedings*".

Information Technology and Computer Systems

We have implemented industry and trade specific software to provide our customers and us with real-time information at each of our facilities providing port services.

We have developed and implemented Adani Port Management System at our terminals and berths handling dry and liquid bulk cargo. Adani Port Management System, through integrated port management system software, tracks port operations in real-time and allows customers, including cargo owners and shipping companies, to book space at our port through the internet, track cargo, review charges and receive and exchange electronic data and transaction services.

We have also implemented ACTOS and IPMS systems at our container terminals, which is used widely by container terminal operators and tracks container terminal operations in real-time through each stage of transit. For our automobile handling facility, we have implemented KARTOS, which is a car terminal operating system that streamlines processes related to vessel and yard operation, documentation, yard planning and billing.

All of these, and our other, software platforms are integrated through enterprise resource planning software, which caters to back-office operations, including finance, costing, material and inventory management, maintenance, quality and sales.

Competition

We compete primarily against Non-major Ports and Major Ports of India. Competition is based primarily on the characteristics and location of the ports, including capacity, congestion, ability to berth large vessels, proximity and connectivity to inland cargo centres and refineries. We believe that our key competitive advantages are our infrastructure, cost advantage relative to other ports in the region, port characteristics such as deep drafts, longer and larger berths, dedicated and expandable back-up areas (i.e. areas for internal movement of cargo), quicker turnaround time, integrated services and connectivity to inland cargo centres and our ability to attract and retain highly experienced employees.

Employees

We had 2,153 full-time employees as at 31 March 2017, as set out below by general job function:

	As at 31 March 2017
Chairman	1
Corporate secretary division	5
Operations	1,390
Finance	150
Corporate support	534
Marketing and transportation	73
Total	**2,153**

For discrete assignments, we also work with employment agencies to employ contractors, the number of which varies depending on the extent and nature of the assignment.

We offer our employees ongoing training through the Adani Management and Development Centre with programmes on port operations, planning, corporate etiquette, soft skills and management. We also conduct on-site training sessions across our facilities to develop and improve specific skill sets of our employees.

Our employees are not unionised and we believe our relations with our employees are good.

Properties

Our registered and corporate office is located at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009. We have entered into a leave and licence agreement, recently extended until 21 September 2019, with Adani Enterprises Limited to use this property.

The majority of our properties and assets, including leasehold land and rights within port limits and along the railroad corridor, are located at Mundra, including the port and surrounding area.

We hold leasehold rights over 3,404.4 acres at Mundra Port pursuant to a lease and possession agreement dated 28 September 2000 with the GMB for a period of 30 years. Pursuant to this lease and possession agreement, the initial lease rent payable was Rs. 2.4 million per year, with an increase of 20.0% every three years.

We have also acquired other land and have taken on leases around Mundra Port from different parties, including the government of Gujarat, some of which land we use for the Mundra SEZ.

Corporate Social Responsibility

The Adani Group has established the Adani Foundation, to which we contribute and which strives to accomplish commitment to the social obligations towards communities, fostering sustainable and integrated development and improving quality of life. The Adani Foundation focuses on developing and implementing programmes for underprivileged communities through initiatives in education, community health and rural infrastructure development.

- *Education*. The Adani Foundation focuses on improving the quality of education in public primary schools by upgrading related facilities. The Adani Foundation has set up schools in cities, villages and settlements across Gujarat.

- *Community Health*. The Adani Foundation runs mobile healthcare units, rural clinics, health-related camps and health awareness programmes to encourage preventative care and a healthy lifestyle.

- *Rural Infrastructure Development*. The Adani Foundation develops infrastructure in rural areas of India, including building approach roads, recreational zones, such as gardens and sports grounds, and water storage tanks. The Adani Foundation focuses primarily on developing infrastructure to improve regional water security, such as constructing dams and deepening ponds.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The Articles of Association provide that the minimum number of Directors shall be three and the maximum number of Directors shall be 15. Our Company has eight Directors. Our Company may subject to the provisions of the Articles of Association and the Companies Act, alter the maximum number of Directors by approval of our Company's shareholders by special resolution.

Not less than two-thirds of the total number of Directors shall be appointed as Directors who are liable to retire by rotation. At our Company's annual general meeting, one-third of the Directors for the time being who are liable to retire by rotation shall retire from office. The Chairman and Managing Director of our Company, however, is not liable to retire by rotation. A retiring director is eligible for re-election. The Articles of Association permit the bank, financial institution or any person or persons to appoint Directors to the Board as their nominee while any loan amount remains outstanding to them from our Company or for underwriting shares or debentures or other securities of our Company as long as any guarantee given by such entity in respect of any financial obligation of the Company remains outstanding. The quorum for meetings of the Board of Directors is one-third of the total number of Directors, or two Directors, whichever is higher, provided that, where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of remaining Directors present at the meeting, being not less than two, shall be the quorum during such time.

The Directors are not required to hold any Equity Shares to qualify as a Director. The following table provides information about our Company's Directors.

Name and Nationality	Age (Years)	Designation
Mr. Gautam S. Adani[(1)(2)] Nationality: Indian	54	Chairman and Managing Director Non-Independent Director
Mr. Rajesh S. Adani[(1)] Nationality: Indian	52	Non-Independent and Non-Executive Director
Dr. Malay Mahadevia Nationality: Indian	54	Non-Independent and Whole-time Director
Mr. Karan Adani[(1)(3)] Nationality: Indian .	30	Non-Independent and Whole-time Director
Mr. Sanjay S. Lalbhai Nationality: Indian	63	Independent and Non-Executive Director
Prof. Ganesan Raghuram Nationality: Indian	61	Independent and Non-Executive Director
Mr. Gopal Krishna Pillai Nationality: Indian	67	Independent and Non-Executive Director
Ms. Radhika Haribhakti Nationality: Indian	59	Independent and Non-Executive Director

(1) Mr. Gautam S. Adani and Mr. Rajesh S. Adani are brothers and Mr. Karan Adani is the son of Mr. Gautam S. Adani and nephew of Mr. Rajesh S. Adani. None of the other Directors are related to each other.

(2) Our Board has recommended the re-appointment of Mr. Gautam S. Adani as the managing director for an additional period of five years, subject to confirmation from the shareholders of our Company.

(3) Subject to approval from the shareholders of our Company.

Brief Profile of the Directors

Mr. Gautam S. Adani is the Chairman and Managing Director of our Company and founder of the Adani Group. Under his leadership, the Adani Group has emerged as a diversified integrated infrastructure player with interests in international trading, infrastructure development, power generation and distribution, development of SEZs, gas distribution, trading and business process outsourcing. He has more than 31 years of business experience. He has been associated with our Company as the Managing Director since 28 January 1999 and as the Chairman and Managing Director since 5 August 2006.

Mr. Rajesh S. Adani is a non-executive and non-independent Director of our Company. He holds a bachelor's degree in commerce from Gujarat University. He has been associated with the Adani Group since its inception. He is in charge of the operations of the Adani Group and has been responsible for developing its business relationships.

Dr. Malay Mahadevia is a whole-time Director of our Company. He holds a master's degree in dental surgery from University of Bombay. He was conferred with a doctorate of philosophy in coastal ecology around Mundra area, Kutch District, Gujarat by Gujarat University. He has been working with our Company since 1992 and has worked on the development of Mundra Port since its conceptualisation. He is a member of the Gujarat Chamber of Commerce and Industry.

Mr. Karan Adani is a whole-time Director and chief executive officer of our 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.

Mr. Sanjay S. Lalbhai is an independent Director of our Company. He holds a bachelor's degree in science from Gujarat University and a master's degree in business management from the Jamnalal Bajaj Institute of Management Studies. He is the chairman and managing director of Arvind Limited. He is the president of the Ahmedabad Education Society and the Ahmedabad University. He is a member of the board of governors of the Indian Institute of Management, Ahmedabad. He is also chairman of Ahmedabad Textile Industry's Research Association and a member of the council of management of the Physical Research Laboratory. He is also the chairman of the Centre for Environmental Planning and Technology. Mr. Sanjay S. Lalbhai is a member on the governing body of the Adani Institute of Infrastructure Management.

Professor Ganesan Raghuram is an independent Director of our Company. He holds a bachelor's degree in electrical engineering from the Indian Institute of Technology, Madras a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad and a doctorate in philosophy from Northwestern University. He is currently a Director of Indian Institute of Management, Bangalore and specialises in infrastructure, transportation systems, supply chain and logistics management. The focus of his research and publications includes railways, ports and shipping, air and road sectors, service organisations, logistics and supply chain management. He has previously taught at Northwestern University and Tulane University. He is also a visiting faculty member at several universities in USA, Canada, Yugoslavia, Tanzania, UAE, Singapore and India. He has been the vice chancellor, Indian Maritime University, Chennai and professor of Indian Institute of Management, Ahmedabad. He is a fellow of the Operational Research Society of India and Chartered Institute of Logistics and Transport.

Mr. Gopal Krishna Pillai is an independent Director of our Company. He is a former Indian Administrative Services officer. He holds a master's degree in science from the Indian Institute of Technology, Chennai. He started his career as sub-collector, Quilon and worked in revenue administration. He has previously held various government positions including special secretary for industries, especially the traditional industries of cashew, coir and handlooms; secretary, health and as principal secretary to the chief minister of Kerala, department of Commerce, Ministry of Commerce and Industry. He was the chairman of the Board of Approvals of SEZ from 2006 to 2009.

Ms. Radhika Haribhakti is an independent Director of our Company. She is a commerce graduate from Gujarat University and holds a post-graduate diploma in management (finance) from the Indian Institute of Management, Ahmedabad. She is the founding director of RH Financial Services, a boutique advisory firm focused on mergers and acquisitions and raising private equity. Ms. Haribhakti is closely associated with issues of financial inclusion and women empowerment and is the former chairperson of Friends of Women's World Banking and the current chairperson of Swadhaar FinAccess. She has served on CII's National Committee on Women Empowerment and the Governing Council of Citigroup Micro Enterprise Award.

Borrowing Powers of the Board

The Articles of Association, subject to the provisions of the Companies Act, authorise our Board to raise, borrow, or secure the payment of any sum or sums of money as approved by shareholders for the purposes of our Company. Our shareholders have, pursuant to a resolution passed at the annual general meeting dated 11 August 2015, authorised our Board to borrow monies not exceeding Rs. 350,000 million at any time.

Shareholding of Directors

The following table sets forth the number of Equity Shares held by the Directors as at 31 March 2017:

Name	Number of Equity Shares	Percentage (%)
Mr. Gautam S. Adani and Mr. Rajesh Adani (on behalf of S.B. Adani Family Trust)	877,317,807	42.4
Mr. Gautam S. Adani and Ms. Priti G. Adani (on behalf of Gautam S. Adani Family Trust)	12,480,142	0.6
Mr. Rajesh S Adani and Ms. Shilin R Adani (on behalf of Rajesh S Adani family Trust)	30,000	0.0

Prohibition by SEBI or Other Governmental Authorities

None of the Directors or the companies with which they are or were associated as promoters, directors or persons in control are currently debarred from accessing the capital markets under any order or direction passed by SEBI, stock exchanges in India or court/tribunal.

Non-Executive Directors

The following table sets forth the remuneration of existing non-executive Directors of our Company for Fiscal Year 2017:

Name	Commission	Sitting Fees	Total
	(Rs. in Millions)	(Rs. in Millions)	(Rs. in Millions)
Mr. Rajesh S. Adani	—	0.5	0.5
Prof. G. Raghuram	1.2	0.3	1.5
Mr. G. K. Pillai	1.2	0.1	1.3
Mr. Sanjay Lalbhai	—	0.1	0.1
Ms. Radhika Haribhakti	1.2	0.3	1.5

Executive Directors

The following table sets forth details of remuneration paid/payable to the existing Chairman, Managing Director and Whole Time Directors for Fiscal Year 2017:

Name	Salary	Perquisites, Allowances and other Benefits	Commission	Total
	(Rs. in Millions)	(Rs. in Millions)	(Rs. in Millions)	(Rs. in Millions)
Mr. Gautam S. Adani	18.0	—	10.0	28.0
Dr. Malay Mahadevia	18.5	92.6	—	111.1
Mr. Karan Adani*	7.6	1.2	—	8.8

* Mr. Karan Adani joined the board of directors of the Company on 24 May 2017. The total remuneration paid to him during period (1 September 2016 to 31 March 2017) was in his capacity as the chief executive officer of the Company.

Key Managerial Personnel

Mr. B. Ravi, aged 55 years, is the Chief Financial Officer of our Company and is a qualified chartered accountant, cost and works accountant and company secretary. He holds a bachelor's degree in commerce from Bangalore University. He has over 31 years of experience in the areas of finance, accounting, company secretarial matters, legal matters, business management, strategy and planning, mergers and acquisitions, and debt restructuring. Prior to joining our Company, he worked with Sembawang Engineers and Constructors Private Limited, Singapore. He joined our Company in 2009.

Captain Unmesh Abhyankar, aged 58 years, is the Joint President (ED Office) of our Company and is responsible for business reviews, analysis, innovation and excellence. He has over 35 years of experience in the field of marine operations. Prior to joining our Company, he worked with the Great Eastern Shipping Company, and OCN Marine Services, where he was involved in marine and port operations. He joined our Company in 2005.

Mr. Krishna Mohan Rao, aged 53 years, is the Joint President (Human Resources) of our Company. He holds a bachelor's degree in commerce from Nagpur University and master's degree in human resources management from Mumbai University. He has over 28 years of experience in leading human resources divisions for businesses in diverse sectors throughout India, Europe, North America and Asia Pacific. He has held senior leadership positions in various companies such as Philips, ST Microelectronics N.V., and Indal (now Hindalco). He joined our Company in November 2015.

Mr. Sarthak Behuria, aged 65 years, is the Executive Director, CEO's Office (non-board position) of our Company. He holds a post-graduate degree in business administration from the Indian Institute of Management, Ahmedabad and a graduate degree in Economics (Honours) from St. Stephens College, New Delhi. He has been the chairman of public sector companies such as Indian Oil Corporation and Bharat Petroleum Corporation Limited respectively. He spent nearly 30 years with the latter and has leadership experience across functions including finance, human resource, marketing and strategic planning. He is a recipient of the prestigious Scope Award for excellence and outstanding contribution to Public Sector Management - individual category 2006-07 from the Prime Minister of India. He joined our Company in 2016.

Mr. G. J. Rao, aged 64 years, is the Director (Ports) (non-board position) of our Company and is in charge of ports operations and maintenance of ports and terminals, business development and marketing, and other commercial matters for Vizag, Goa, Kattupalli and Ennore ports business. He has over 32 years of experience in building and directing integrated port management and inter-modal operations including planning, purchase, finance, marketing, maritime security and operating expertise and has exposure in relation to the business of ports situated in different countries of Europe, East Asia and North America. Prior to joining our Company, he was the chairman of the Paradip Port Trust. He joined our Company in 2012.

Mr. Ennarasu Karunesan, aged 51 years, is Chief Executive Officer (Mundra and Tuna Port) of our Company. He holds a bachelor's degree in mechanical engineering from Madurai Kamaraj University and a master's degree in administrative management from Jamnalal Bajaj Institute of Management Studies. He has over 26 years of experience in managing ports and container terminals in India and abroad. Prior to joining us, Mr. Ennarasu worked as a whole time director and chief executive officer of Chennai Container Terminal, D P World, Chennai and additional director of Nhava Sheva International Container Terminal, Mumbai. He has also worked as the head of container ports, Westport, Malaysia. He joined our company in March 2015.

Mr. Subrat Tripathy, aged 52 years, is the Chief Executive Officer (Dhamra Port). He holds a master's degree in arts from the University of Hyderabad and a master's degree in philosophy from the Jawaharlal Nehru University, New Delhi. He has 24 years of experience in the operations of railway and port connectivity projects, and the construction and project management of new lines, gauge conversions and doublings projects for Indian Railways. During his time at Indian Railways from 1989 to 2013, he worked in various capacities including as deputy chairman of the Paradip Port Trust. He joined our Company in June 2014.

Mr. Santosh Kumar Mohapatra, aged 64 years, is the Chief Executive Officer (Vizhinjam Port). He is a former Indian Administrative Services officer and has served in senior positions in the government and the public sector, including the positions of Secretary, Industries, Government of Gujarat; chief executive officer, Gujarat Infrastructure Development Board; managing director, Sardar Sarovar

Narmada Nigam Limited; and chairman, Paradip Port before he quit government to work on the construction of a new port at Dhamra, Odisha as chief executive officer of Dhamra Port Company Limited, which was then a joint venture of Tata Steel Limited and L&T Limited. He joined our Company in June 2014.

Captain Sandeep Mehta, aged 56 years, is the President (Business Development) of our Company. He is a member of the Institute of Chartered Ship Brokers and a member of the Company of Master Marines of India. He holds a certificate of competency as master of a foreign-going ship granted by the Government of India. He has played a vital role in establishing Mundra Port as one of the leading ports in India. He has over 34 years of experience in the maritime industry including senior management positions in the container liner shipping and logistics sector. He joined our Company in November 2015.

Mr. Amit Uplenchwar, aged 42 years, is the President (SEZ) of our Company. He holds a bachelor's degree in mechanical engineering (Honours) from Nagpur University, various post-graduate diplomas in port, shipping and transport management and a master's degree in information technology and e-business from the Maastricht School of Management, Netherlands. He has over 16 years of international and cross-functional experience. Prior to joining us in 2013, he was the managing director of Dodsal Engineering and Construction.

Mr. Anil Radhakrishnan, aged 50 years, is the Chief Executive Officer (logistics). He holds a bachelor's degree in science and a master of arts from Mahatma Gandhi University. He has more than 21 years of experience in senior management roles in the shipping, logistics, supply chain and consumer industries. Prior to joining us, he was with AP Moller - Maersk Line for 10 years in various management positions, including general management, strategic roles and sales and marketing management, and port and terminal development. He joined our Company in May 2014.

Each of the aforesaid key managerial personnel is a permanent employee and/or director of our Company or its subsidiaries. The aggregate compensation payable to the aforesaid key managerial personnel for Fiscal Year 2017 was approximately Rs. 228.08 million.

The following table sets forth the number of Equity Shares held by the key managerial personnel as at 31 March 2017:

Name	Designation	No. of Equity Shares	Percentage (%)
Mr. Sarthak Behuria.	Executive Director, CEO's Office (non-board position)	2,650	0.00
Mr. B. Ravi	Chief Financial Officer	1,075	0.00
Mr. Amit Uplenchwar.	President (SEZ)	100,075	0.00
Total		**103,800**	**0.01**

Corporate Governance

Our Company complies with the applicable corporate governance requirements, including the requirements relating to the constitution of the Board and Committees thereof under the SEBI (LODR) Regulations.

Our Board has eight Directors. The Chairman and Managing Director of our Board is an executive Director. Accordingly, in accordance with Regulation 17(1)(b) of the SEBI (LODR) Regulations at least one-half of our Board is required to be comprised of independent Directors. Currently, out of a total of eight Directors on the Board, four Directors are independent. Our board also includes one female Director. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and proper constitution of Committees of the Board. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Committees of the Board

There are seven Board level committees in our Company, which have been constituted and which function in accordance with the relevant provisions of the Companies Act and the SEBI (LODR) Regulations: (i) the Audit Committee; (ii) the Nomination and Remuneration Committee; (iii) the Stakeholders Relationship Committee; (iv) the Transfer Committee; (v) the Sustainability and Corporate Social Responsibility Committee; (vi) the Finance Committee; and (vii) the Risk Management Committee.

The members of the aforesaid committees are:

Committee	Members
Audit Committee	Prof. Ganesan Raghuram (Chairman), Ms. Radhika Haribhakti and Mr. Rajesh S. Adani
Nomination and Remuneration Committee	Prof. Ganesan Raghuram (Chairman), Ms. Radhika Haribhakti and Mr. Rajesh S. Adani
Stakeholders Relationship Committee	Mr. Rajesh S. Adani (Chairman), Prof. Ganesan Raghuram and Ms. Radhika Haribhakti
Transfer Committee	Mr. Gautam S. Adani (Chairman), Mr. Rajesh S. Adani and Dr. Malay Mahadevia
Sustainability and Corporate Social Responsibility Committee	Mr. Rajesh S. Adani (Chairman), Dr. Malay Mahadevia and Mr. Sanjay S. Lalbhai
Finance Committee	Mr. Gautam S. Adani (Chairman), Mr. Rajesh S. Adani and Dr. Malay Mahadevia
Risk Management Committee	Mr. Rajesh S. Adani (Chairman), Dr. Malay Mahadevia, Mr. Sanjay Lalbhai, Capt. Unmesh Abhyankar and Mr. B. Ravi

Interest of Directors and Key Managerial Personnel

Except as stated in "*Management's Discussion and Analysis of the Financial Condition and Results of Operations — Related Party Transaction*" (and including related party transactions entered into by our Company with entities in the Adani group in which certain of our Directors and key managerial personnel may also be directors or shareholders) and to the extent of (i) the Directors' shareholding held in our Company and remuneration and benefits to which they are entitled in accordance with their terms of appointment and (ii) any related party transactions entered into by our Company with entities in the Adani Group, the Directors do not have any other interest in our Company or our Company's business. The Directors may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and allotted to them, their relatives, dependents, companies, firms, HUF or trusts, in which they are interested as directors, members, partners, *karta* and/or trustees. All Directors may also be deemed to be interested to the extent of any dividend payable to them and other

distributions in respect of the said Equity Shares and any other benefit arising out of such holding and transactions with the companies with which they are associated as directors or members. The non-executive Directors of our Company may also be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee, and commission payable to them (which is capped at 1% of the net profits).

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled in accordance with their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of the Equity Shares held by them or their dependents in our Company, if any.

REGULATIONS AND POLICIES IN INDIA

The following is an overview of the important laws and regulations, which are relevant to our business. This overview is not exhaustive and is intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

Port Related Regulations

The ports in India may be classified as Major and Non-major Ports. Under the Indian Ports Act, the Government of India has been empowered to declare a port to be a major port. The ports operated by our Company have not been classified as a "major port" under the Indian Ports Act. The port related regulations governing our Company and the ports are as follows:

Major Ports Trust Act, 1963

In India, the major ports are placed under the Union list of the Indian Constitution, and are administered under the Major Port Trust Act, 1963 (the "**MPT Act**") by the Government of India. The Central Government may by notification in the official gazette apply the provisions of the MPT Act to any major ports in India. Currently there are 13 Major Ports in India. Except Ennore Port, all other major ports are governed in accordance with Major Port Trusts Act, 1963. Under the MPT Act each major port is governed by a Board of Trustees appointed by the Government of India. The Board of Trustees consists of persons as appointed by the Central Government from to time to time by way of notification. Persons so appointed on the Board of Trustee are from various interests like labour, mercantile marine departments, customs department, the Government of the state in which the port is situated, the defence services, the Indian railways and such other interests as, in the opinion of the Central Government, ought to be represented on the Board of Trustees. Therefore, the Board of Trustees constituted under the MPT Act is dominated by government departments and public enterprises. Consequently, the powers of the Board of Trustees are limited and they are bound by directions on policy matters and orders from the Government of India. The Board of Trustees constituted under the MPT Act may make regulations for one or more matters as permitted under the MPT Act. The Board of Trustees is also empowered to enter into contracts, execute work and provide appliances as required under the MPT Act.

Major Port Authorities Bill, 2016

The Union Cabinet on 14 December 2016 approved the proposal of Ministry of Shipping to replace the MPT Act by the Major Port Authorities Bill, 2016 and was introduced in Lok Sabha on 16 December 2016. With a view to promote the expansion of port infrastructure and facilitate trade and commerce, the proposed bill aims at decentralising decision making and to infuse professionalism in the governance of ports. The new bill proposes a simplified composition of the Board of Port Authorities which shall comprise 11 members down from 17 to 19 members presently. The present regulation of tariffs by the Tariff Authority for Major Ports ("**TAMP**") has been proposed to be removed and it is proposed that while the Board of Port Authorities will have the power to fix reference tariffs for purposes of bidding for public-private partnership ("**PPP**") projects, port operators will be free to fix tariffs based on, *inter alia*, market conditions. Presently, the Board of each Major Port Authorities has been delegated the power to fix the rates for other port services such as fixing tariff for bidding purposes, the planning and development of major ports, and the entering into contracts for performance of aforesaid functions. The bill empowers the Board of Port Authorities to sell and lease land or immovable property for port related use for a term not exceeding 40 years and

for non-port related use up to 20 years, after which a prior approval of the Central Government would be required for the extension of a lease. The Central Government is empowered to restore or complete any of the works undertaken by the Board at the cost of such Board if any inaction/ non-completion of such works undertaken by the Board has led to a grave emergency.

Fixation of tariff at major ports

When the private sector was first allowed to offer services in major ports, companies were often acting in competition with the port trusts, and the private sector lobbied for an independent body to set port tariffs to ensure a fair competition between private sector and the port trusts. TAMP was established for major ports to fix and revise port tariffs and was set up through an amendment of the MPT Act. All powers for fixing the tariffs in major ports lies with TAMP. However, it has no jurisdiction over Non-major ports or private ports.

The Guidelines for Regulation of Tariff at Major Ports, 2004 ("**TAMP Guidelines 2004**") are applicable to all major ports and may also be extended to private terminals operating at these ports under a BOT/BOOT basis or other government privatisation arrangement. Under the TAMP Guidelines 2004, tariffs are fixed based on a formula taking into account cost and return on capital employed. Any violation of the TAMP Guidelines 2004 is punishable with penal charges.

In addition, the Guidelines for Upfront Tariff Setting for PPP Projects at Major Ports Trusts, 2008 ("**TAMP Guidelines 2008**"), applicable to private operators handling commodities or providing various services, set upfront tariffs for PPP projects awarded after 26 February 2008. The upfront tariffs are fixed based on an approach which recognises estimated capital and operating costs based on the norms set by the TAMP Guidelines 2008. These upfront tariffs are intended to allow a reasonable return on capital employed. In the event that a port operator fails to comply with directions issued by the TAMP in relation to application of scale of rates or quality of service provided, the concerned port trust can initiate penal action against the operator in accordance with the provisions of the relevant concession agreement.

The Guidelines for Determination of Tariff for Projects at Major Ports, 2013 ("**TAMP Guidelines 2013**") shall apply to all projects to be awarded by any Major Port Trust to which the provisions of MPT Act apply under BOT/BOOT or any other arrangement for PPP Projects for which tenders were issued after the date of issue of these guidelines. The TAMP Guidelines 2013 provide for fixing a tariff cap for the reference tariff to be levied by TAMP as well as provides for fixation of a performance linked tariff for PPP operators based on proposals received from the PPP operators.

Policy Guidelines for Land Management by Major Ports, 2014

The Policy Guidelines formulated for land management provide the necessary regulatory framework for land allotment and other Port specific practice like waterfront charges/way-leave permissions etc. The guidelines are applicable to all major ports, except for 10,000 acres relating to township areas in Mumbai, Kolkata and Kandla. Under the Major Ports Land Policy, every 'major' port must have a 'land use plan' which accounts for all the land owned and/or managed by the 'major' port. Such plan has to be approved by the board of trustees and a copy would be forwarded to the Government of India.

Under the new guidelines, land in custom bond areas can be allotted only through a licence by inviting competitive bidding, where feasible. Land outside custom bond areas shall be given on lease only in accordance with the approved land use plan through tender-cum-auction up to a maximum cumulative period of 30 years.

The Indian Ports Act

The Indian Ports Act consolidates the enactments relating to ports and port charges. In respect of ports other than Major Ports, State governments have been given power to make rules with respect to regulating the time, hours, speed, manner and conditions in which vessels may enter, leave or move in the port; berths, stations and anchorages to be occupied by vessels in a port; the anchoring, fastening, mooring and un-mooring of vessels in any such port; regulating the moving and warping of all vessels; removal or proper hanging or placing of anchors, spars and other things being in or attached to vessels. The Government of India can make rules for the prevention of danger arising to the public health by the spread of any infectious or contagious disease from vessels arriving at or sailing from any such port. The state governments can alter the limits of a port.

The Indian Ports Act regulates the safety and conservation of ports as well as matters relating to the administration of port duties, pilotage and other charges. State governments in consultation with the relevant authority can exempt and extend/cancel the exemption to any vessel(s) from payment of port related dues. State governments are entitled to charge fees for pilotage, hauling, mooring, re-mooring, hooking and other services rendered to vessels. The state government can also vary the rates at which port dues are to be fixed. However, the rates should not exceed the amount authorised to be levied under the Indian Ports Act.

Fixation of tariff

TAMP exercises its authority only on the Major Ports, which are covered by the Major Port Trust Act, 1963. The Non-major Ports come within the jurisdiction of the respective state governments.

The Indian Ports Bill

The Indian Ports Bill proposes to update and consolidate the provisions of the existing Indian Ports Act and the Major Ports Act into a single legislation. It also proposes to make a provision for the constitution of port authorities for Major Ports in India to vest the control, administration and management of such ports in such authorities and for all matters connected thereto. The Indian Ports Bill was posted on the Ministry of Shipping website on 21 July 2011 and stakeholders were invited to give their comments on the bill.

The Indian Ports Bill proposes various changes in the law including granting overriding powers to the Government of India in respect of defining or altering port limits. Further, it will empower the Government of India to, at its discretion, divest the ownership, control and management of a Major Port from the board of trustees to a company. It is divided into three parts, which are further sub-divided into chapters and sections. While Part A and Part C are applicable to all the ports, i.e. "major" and "non-major" including the corporatised ports, Part B of the Indian Ports Bill and its provisions are applicable only to the Major Ports. However, no provisions are applicable to any vessel belonging to or in the service of the central government or a state government or to any vessel of war belonging to any sovereign country, and used for the time being, only on government non-commercial services. The Indian Ports Bill enables appointment of a conservator for each port who shall act with the power to ensure the compliance of all the regulations relating to the operations of ports or affecting them and who is authorised to carry proceedings for offences and to levy penalties on the concerned offender.

The provisions relating to the TAMP have been de-linked from the Indian Ports Bill and a separate statute, namely the Port Regulatory Authority Act, is proposed to be promulgated, a draft of which was released for public comments by the Ministry of Shipping in March 2011. This draft of the Port

Regulatory Authority Bill, 2011 ("**PRAB 2011**") proposes to constitute the Major Ports Regulatory Authority (the "**MPRA**") and State Ports Regulatory Authorities (the "**SPRAs**"). The MPRA is intended to succeed the TAMP. The current draft of the PRAB 2011 proposes that the MPRA and the SPRAs will, among other things: (1) regulate the charges for facilities and services provided at all ports including the "Non-major Ports", which are not currently subject to such regulations; (2) monitor performance standards of port authorities and private operators; (3) advise the appropriate government on matters relating to the port sector; and (4) determine any disputes arising at ports.

The Gujarat Maritime Board Act, 1981

The Gujarat Maritime Board Act, 1981 (the "**GMB Act**") provides for the constitution of a maritime board for Non-major ports in Gujarat and vests the administration, control and management of such ports in the board, including the right to levy rates. The GMB Act provides that the GMB shall not lease the waterfront, jetty, waterway and corresponding infrastructural facilities for a term exceeding five years without the prior approval of the Government of Gujarat (the "**GoG**"). Similarly, no contract for acquisition or sale of immovable property or for the lease of any such property for a term exceeding 30 years shall be made without the prior approval of the GoG.

Port Policy, 1995 of the Government of Gujarat

The port policy formulated in 1995 is an integrated approach of the GoG covering port development, industrial development, power generation and infrastructure development. The GMB is the coordinating agency for procuring infrastructure and other facilities like rail, road and power and any other clearances from the GoG or the Government of India.

Some of the objectives of the port policy are:

- decongestion of the existing Major Ports of western India;
- catering to the needs of increasing traffic of western and northern states;
- providing port facilities to promote export-oriented industries and port-based industries;
- encouraging ship building, ship repairing and establishing manufacturing facilities for cranes, dredgers and other floating crafts; and
- attracting private sector investment in the existing minor and intermediate ports and in the new port locations.

General guidelines for private investment as outlined in the port policy are as follows:

- construction of new wharves/jetties in selected sites and incomplete works of wharf/jetty/quay of the GMB will be privatised;
- private entrepreneurs will be permitted to install modern mechanical handling equipment on the wharf/jetty/quay; and
- privatisation of the construction of new wharves/jetties in selected sites.

The entrepreneurs making investment in these locations will be given ousting priority for a period of five years from the date on which it is awarded. The entrepreneurs in turn have to assure a minimum cargo handling from the said landing place.

The port policy identifies port locations keeping in mind the infrastructure facilities that would be required. Mundra port is proposed for development as an all-weather direct berthing port to handle general cargo. Also, one of the corridors identified for new port development consists of connecting some ports including Mundra to the northern states.

Build-Own-Operate-Transfer ("BOOT") policy 1997 under Port Policy, 1995 of the Government of Gujarat

The BOOT policy issued through Government Resolution No. WKS — 1097- G-213- GH dated 29 July 1997 serves as a framework for involvement of private sector in the construction and operation of new private and joint sector ports in Gujarat as announced in the Port Policy, 1995. It provides that the GoG will grant licence/concession to private developers to build, own, operate and manage port facilities for a specific period. After expiry of the BOOT period, the assets will be transferred back to the GoG. The ownership of the land and waterfront will always vest with the GoG.

In accordance with the BOOT principles, the acquisition of land for the project will be the responsibility of the Government/GMB and the land will be allotted on lease to the private developer for a term concurrent with the term of the concession agreement. The Government will facilitate future expansion of port related activity, and the setting up of, among other things, industrial parks, commercial ventures, roads and railways in the vicinity of the port. Under the BOOT package, the private developer will be responsible for creation of the port infrastructure. The developer would be free to finalise the means of finance for the project and to structure the financing for the project. The Government may extend tax concessions to the projects by way of lowered stamp duty and registration fees. The developer would be responsible for obtaining the relevant clearances from central and state government ministries/departments/agencies.

The BOOT principles state that the relevant member(s) forming the bidding consortium of the project company must retain their financial commitment to the project for a minimum period of five years from the commercial operations. However, without GoG consent, they may reduce their equity participation in the project to up to 51% during the first five years.

The GoG will specify from time to time, a list of the essential services that the developer would be obliged to render. The broad areas of service in this respect will be stipulated in the concession agreement. The GoG will stipulate performance standards for the developer that seeks to evoke international standards of quality, safety and technological expertise in port operations. The developer will be granted a concession on the royalty payable to the GoG for a specified period of time.

The duration of the BOOT package will be 30 years. The BOOT period would commence after three years or the period mentioned in the document, whichever is earlier. BOOT periods greater than 30 years could be considered for projects which entail sizeable capital investment on account of site-specific marine conditions and backup infrastructure such as road/rail linkages.

At the time of the transfer, the GoG could choose any of the following options: offer the developer a roll-over option, take over the port and offer it to another developer, take over the port as a landlord and farm out services to the private sector on lease or management on contract basis, and take over the port and operate as a full service port itself.

The Gujarat Infrastructure Development Act, 1999

The Gujarat Infrastructure Development Act, 1999 (the "**GID Act**") provides a framework for participation by persons other than the GoG and Government agencies in financing, construction, maintenance and operation of infrastructure projects. The GID Act provides that any person may participate in financing, construction, maintenance and operation of a project and may enter into a concession agreement with the GoG or its specified agency. No concession agreement shall provide for transfer of a project by a developer to the GoG or its specified agency later than 35 years from the date of agreement. A concession agreement for undertaking a project may be entered into with a person through competitive public bidding or by direct negotiation.

Inland Vessel Act, 1917

The Inland Vessel Act, 1917 was enacted to consolidate the enactments relating to inland vessels. It provides, among other things, for inland water limits, registration and survey of inland vessels, certificates of competency, licensing of masters and crew, investigation into casualties, protection and carriage of passengers and insurance against third party. An "inland vessel" or "inland mechanically propelled vessel" is defined as a mechanically propelled vessel, which ordinarily plies on inland water, but does not include fishing vessel and a ship registered under the Merchant Shipping Act, 1958. The Inland Vessel Act, 1917 provides that an inland mechanically propelled vessel cannot proceed on any voyage, or used for any service unless she has a certificate of survey and a certificate of registration. The Inland Vessel Act, 1917 empowers the state governments to appoint examiners for the purpose of examining the qualifications of persons desirous of obtaining certificates of competency to the effect that he is competent to act as a first-class master, second-class master or serang, or as an engineer, first-class engine-driver or second-class engine. The Inland Vessel Act, 1917 was last amended in 2007. The amendment, among other things, amended the scope of inland vessel, inland waters, introduced the concept of temporary permit and makes provision for prevention and control of pollution and protection of inland water.

SEZ Related Regulations

Special Economic Zones Act, 2005

The Parliament has enacted the Special Economic Zone, Act, 2005 (the "**SEZ Act**") for the regulation and development of SEZs. The SEZ Act has been enacted for the establishment, development and management of the SEZs for the promotion of exports. An SEZ is a specifically delineated duty-free enclave, deemed to be a foreign territory for the purposes of Indian customs control, trade as well as duties and tariffs. A board of approval ("**SEZ Board**") has been set up under the SEZ Act, which is responsible for promoting the SEZ and ensuring its orderly development. The SEZ Board has a number of powers including the authority to approve proposals for the establishment of the SEZ, the operations to be carried out in the SEZ by the developer, the foreign collaborations and foreign direct investments.

Any person may jointly or severally, establish a SEZ in accordance with the procedure under the SEZ Act. Any person who intends to set up an SEZ after identification of the area, is required to make an application directly to the SEZ Board or the concerned state government for approval. The developer of the SEZ is required to take effective steps for implementation of the SEZ project within the said validity period. The developer is required to furnish intimation of fulfilment of conditions specified in the "in-principle" approval to the Department of Commerce, the Ministry of Commerce and Industry (the "**DoC**") and the Government of India within the specified validity period of the "in-principle" approval. The DoC, on being satisfied with the proposal and compliance of the

developer with the terms of the approval, issues a notification declaring the specified area as an SEZ. The incentives and facilities offered to developers of an SEZ include single window clearance for central and state level approvals, exemption from dividend distribution tax, service tax and minimum alternate tax.

The Special Economic Zone, Rules 2006 (the "SEZ Rules")

The SEZ Rules have been enacted to effectively implement the provisions of the SEZ Act. The SEZ Rules provide for a simplified procedure for a single window clearance from central and state governments for setting up of SEZs and a "unit" in SEZ. The SEZ Rules also prescribe the procedure for the operation and maintenance of an SEZ, for setting up and conducting business therein with an emphasis on "self-certification" and the terms and conditions subject to which entrepreneurs and developers shall be entitled to exemptions, drawbacks and concessions. The SEZ Rules also provide for the minimum area requirement for various categories of SEZs. The Ministry of Commerce and Industry last amended the SEZ Rules pursuant to the notification dated 12 August 2013 in relation to, *inter alia*, the minimum area requirements for setting up SEZs and transfer of ownership including sale of SEZ units, subject to fulfilment of certain prescribed conditions. Various states have their own state SEZ policies.

Gujarat Special Economic Zone Act, 2004 ("Gujarat SEZ Act")

The Gujarat SEZ Act, passed by the GoG, provides for the operation, maintenance, management and administration of a SEZ in the state of Gujarat. Any person desirous of establishing an SEZ must make an application to the GoG in the prescribed form. The state government might modify the application and make a recommendation to the Government of India. The Gujarat SEZ Act establishes the Special Economic Zone Development Authority. The Gujarat SEZ Act also provides for the constitution and functions of the Unit Approval Committee.

In addition to the functions entrusted by the Government of India, the Unit Approval Committee grants necessary local and state level clearances, approvals, licences or registrations under the state acts for setting up an SEZ. The Gujarat SEZ Act provides that every SEZ shall be deemed to be an industrial township area. The area of the SEZ shall cease to be under the jurisdiction of any municipal corporation, municipal council, nagar panchayat or gram panchayat or the notified area constituted under the state laws. The Gujarat SEZ Act establishes a Special Economic Zone Development Committee. Some of the functions of the said Committee are to prepare a plan for the development of the SEZ in conformity with the guidelines prepared by the authority; to demarcate and develop sites for industrial, commercial, residential and for other purposes according to the plan; to provide infrastructure facilities and amenities; to allocate and transfer, either by way of sale or lease or otherwise, plots of land for industrial commercial, residential or other purposes; and to regulate the construction of buildings.

The developer of the SEZ has to provide various facilities such as electricity, water, waste distribution and management, Non-major port and related services, roads and bridges, gas distribution, communication and data network transmission and any other services as may be prescribed. The developer may levy user charges or fees as may be approved by the Special Economic Zone Development Committee for providing infrastructural facilities. The Gujarat SEZ Act provides that all sales and transactions within the processing area of the SEZ shall be exempt from all taxes, cess, duties, duties or fees levied under any law of the state of Gujarat to the extent of stamp duty and registration fees payable on transfer of land meant for approved units in the SEZ and on loan agreements, credit deeds and mortgages executed by a unit, industry or establishment established in

the processing area of the SEZ; sales tax; purchase tax; motor spirit tax; luxury tax; entertainment tax and other taxes and cess payable on sales and transactions. Goods and services purchased by units in the SEZ from the domestic tariff area as input for any product have also been exempted from sales tax and other taxes levied under the laws of the state of Gujarat.

The Electricity Act, 2003

The Electricity Act, 2003 (the "**EA 2003**") is a central unified legislation relating to generation, transmission, distribution, trading and use of electricity that seeks to replace the multiple legislations that governed the Indian power sector. The most significant reform initiative under the EA 2003 was the move towards a multi-buyer, multi-seller system as opposed to the existing structure which permitted only a single buyer to purchase power from power generators. In addition, the EA 2003 provides for a greater flexibility and grants the respective electricity regulatory commissions' greater freedom in determining tariffs, without being constrained by rate-of-return regulations. The Act seeks to encourage competition with appropriate regulatory intervention. An Appellate Tribunal to hear appeals against the decision of the Central Electricity Regulatory Commission and State Electricity Regulatory Commissions has been established. However, the EA 2003 provided that transmission, distribution and trade of electricity are regulated activities which require licences from the appropriate electricity regulatory commission, unless exempted by the appropriate government in accordance with the provisions of the EA 2003. It was amended in 2007 to exempt captive power generation plants from licensing requirements for supply to any licensee or consumer. The Government also announced the National Electricity Policy in 2005 to guide the development of the electricity sector in India. The EA 2003 was further amended in 2010 by notification dated 3 March 2010 to provide that any developer of an SEZ notified under the SEZ Act shall be deemed to be a licensee under the Electricity Act.

Customs Act, 1962

The Customs Act, 1962 (the "**Customs Act**") deals with the levy of customs duty, the power of the central government to prohibit import and export certain goods, and prevention and detection of illegally imported goods. Section 8 of the Customs Act empowers the Principal Commissioner of Customs to approve proper places in any customs port or customs airport or coastal port for the unloading and loading of goods or for any class of goods. The Principal Commissioner of Customs is also empowered to specify limits of any customs area. Section 45 of the Customs Act lays down that all imported goods unloaded in a customs area shall remain in the custody of the person approved by the Principal Commissioner of Customs until they are cleared for home consumption or warehoused or transhipped. The custodian is required to keep a record of such goods and send a copy of the record to the designated officer. The custodian shall not permit the goods to be removed unless approved by the designated authority. The Customs Act further provides that, if the goods are pilfered while in the custody of the custodian, then such custodian shall be liable to pay duty on such goods.

By a notification dated 17 March 2009, the Central Board of Excise and Customs has notified the Handling of Cargo in Customs Area Regulations, 2009 which specify the eligibility requirements and responsibilities of persons who receive, store, deliver or otherwise handle imported goods in the customs area.

Other Laws

The Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 (the "**Bankruptcy Code**") was passed by both houses of the Parliament of India on 11 May 2016 and received the assent of the President of India on 28 May 2016. The Bankruptcy Code primarily consolidates the existing insolvency laws, *inter alia*, relating to companies and bodies corporate with the objective of providing clarity and consistency, in treatment, to all the stakeholders in the insolvency process. The Bankruptcy Code seeks to establish an Insolvency and Bankruptcy Board of India (Board) which will, *inter alia*, function as a regulator to oversee functioning of insolvency professionals, insolvency professional agencies and information utilities. The Board will exercise a range of legislative, administrative and quasi-judicial functions. The Bankruptcy Code classifies creditors into, *inter alia*, financial creditors, and operational creditors, which include creditors of financial loans for interest and loans arising from the operational nature of the debtor, respectively. The Bankruptcy Code proposes to appoint specialised insolvency professionals to assist companies and bodies corporate through the insolvency process. The Bankruptcy Code provides a 180 day timeline for insolvency resolution applications which may be extended by 90 days. As part of the insolvency resolution process, the insolvency resolution plan prepared by the insolvency professionals has to be approved by 75% of financial creditors and by the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation. The National Company Law Tribunal will be the adjudicating authority with jurisdiction over companies and limited liability entities. However, the provisions and sections under the Bankruptcy Code are being notified in a staggered manner and some provisions and sections are not effective yet. To the extent notified, the Bankruptcy Code has amended relevant provisions of, *inter alia*, the Companies Act, 2013 and the other legislations as specified therein, and shall further amend relevant provisions of, *inter alia*, the Companies Act, 2013 and such specified legislations upon future notification of the Bankruptcy Code.

Labour Laws

India has extensive labour related legislation. Preliminary information on some of the labour laws that may be applicable has been provided below. This list is incomplete and does not cover all provisions of the law specified or cover other applicable labour laws.

The Dock Workers (Regulation of Employment) Act, 1948

Dock Workers (Regulation of Employment) Act, 1948 (the "**Dock Workers Act**") regulates the employment of dock workers. It provides that a scheme may provide for the registration of dock workers and employers to ensure greater regularity of employment. Such a scheme may provide for the following:

- classes of dock workers and employers to be covered under the scheme;
- obligations of dock workers and employers; and
- regulation of the employment of dock workers (whether registered or not) including their remuneration and working hours.

The scheme may also provide for penalty and/or imprisonment in case of contravention of any provision of the scheme. The Dock Workers Act also provides for the establishment of a board responsible for administering the scheme for the ports for which it has been established.

Dock Workers (Regulation of Employment) (Inapplicability to Major Ports) Act, 1997

The Dock Workers (Regulation of Employment) (Inapplicability of Major Ports) Act, 1997 (the "**Dock Workers Inapplicability Act**") give powers to the Central Government to direct the provisions of the Dock Workers Act to cease to have effect in relation to any major ports. Under the Dock Workers Inapplicability Act the Central Government may after settlement is arrived at between the relevant dock labour board of any major port, its workmen and the management of that major port in accordance with the provisions of the Industrial Disputes Act, 1947, direct by notification in the official gazette that the provisions of the Dock Workers Act shall cease to have effect in relation to the major ports with effect from the date specified in the notification.

Employment and Labour Laws

Factories Act, 1948

The Factories Act, 1948 (the "**Factories Act**"), regulates occupational safety, health and welfare of workers of industries in which 10 or more workers are employed in a manufacturing process being carried out with the aid of power. The Factories Act includes provisions as to the approval of factory building plans before construction or extension, investigation of complaints, maintenance of registers and the submission of yearly and half-yearly returns. Penalties for non-compliance include imprisonment of the occupier and manager for up to two years or a fine, or both, and a further fine for each day of continued contravention.

Factories (Amendment) Bill, 2016

The Factories (Amendment) Bill, 2016 (the "**Factories Bill**") was passed by the Lok Sabha on 10 August 2016. The Bill seeks to amend provisions relating to working hours and overtime working hours in the Factories Act, 1948. Under the Factories Act, 1948, state governments have the power, *inter alia*, to make rules relating to double employment, prescribing conditions for exemptions granted to certain workers from fixed working hours or periods of rest and defining the categories of individuals who can hold managerial positions. The Factories Bill extends this rule making power to the central government as well. Further, any rules made by the state government under such rule making power had a limitation period of five years, which the Factories Bill seeks to remove. The Factories Bill empowers both the central and state governments to make rules in relation to overtime hours of work in a quarter and raises the limit of overtime work from 50 hours to 100 hours. The Factories Bill also permits the central and state government to extend the limit of overtime hours in a quarter if there is excessive work load or in public interest.

Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 (the "**ID Act**") sets out the procedure for the investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate government may refer the dispute to a labour court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or to prevent a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering the modification of contracts of employment or the reinstatement of workmen.

The ID Act also distinguishes between (i) employees who are "workmen" and (ii) employees who are not "workmen". Workmen have been provided several benefits and are protected under various labour

legislations, while those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. The ID Act lays down certain requirements for termination of a workman, the procedure for dispute resolution and financial obligations upon retrenchment.

The Dock Workers (Safety, Health and Welfare) Act 1986)

The Dock Workers (Safety, Health and Welfare) Act 1986 (the "**Dock Workers Safety Act**") was enacted to give effect to the conventions concerning protection against accidents of workers employed in loading and unloading ships. The Dock Workers Safety Act is applicable to all ports in the country. The appropriate Governments i.e., Central Government in respect of major ports and state governments in respect of Non-major Ports are empowered to frame Rules and Regulations. The Ministry of Labour and Employment has notified the Dock Workers (Safety, Health and Welfare) Regulation 1990 applicable to all major ports in the country. The relevant state governments may by notification in the official gazette make regulations in consistent with the Dock Workers Safety Act for providing for the safety and health and welfare of dock workers.

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 (the "**CLRA**"), regulates the employment of workers hired on the basis of individual contracts in certain establishments. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility with the principal employer of an establishment to register as an establishment that engages contract labour. Likewise, every contractor to whom the CLRA applies must obtain a licence and may not undertake or execute any work through contract labour except in accordance with the licence issued. Penalties, including both fines and imprisonment, may be levied for contravention of the CLRA. Penalties for non-compliance include imprisonment up to three months or a fine, or both.

Minimum Wages Act, 1948

The Minimum Wages Act, 1948 (the "**MWA**"), provides for a minimum wage payable by employers to employees. Under the MWA, every employer is required to pay the minimum wage to all employees, whether for skilled, unskilled, manual or clerical work, in accordance with the minimum rates of wages that have been fixed and revised under the MWA. Workmen are to be paid for overtime at overtime rates stipulated by the appropriate state government. Contravention may result in imprisonment for up to six months or a fine, or both. State governments may stipulate a higher penalty for contravention, if it is deemed fit to do so.

Payment of Wages Act, 1936

The Payment of Wages Act, 1936 (the "**PWA**"), regulates payment of wages to certain classes of employees and makes every employer responsible for payment of wages to persons employed by such employer. No deductions are permitted from, nor is any fine permitted to be levied on, wages earned by a person employed except as provided under the PWA. Penalties under the PWA include a fine.

Employee's Compensation Act, 1923

The Employee's Compensation Act, 1923 (the "**ECA**"), makes every employer liable to pay compensation if injury, disability or death is caused to an employee (including those employed

through a contractor) due to an accident arising out of or in the course of employment. If the employer fails to pay the compensation due under the ECA within a month from the date it falls due, the commissioner shall direct the employer to pay the compensation along with interest and may impose a penalty for non-payment.

Employee's Compensation (Amendment) Act, 2016

The Employee's Compensation (Amendment) Bill was passed by the Lok Sabha on 9 August 2016 and was notified on 12 April 2017 (the "**Amendment Act**"). The Amendment Act seeks to amend the Employee's Compensation Act, 1923. The Employees Bill creates an obligation upon an employer to inform their employees of their right to compensation under the Employee's Compensation Act, 1923 and the failure to do discharge such obligation may be penalised with a fine of up to Rupees one lakh. The Employee's Compensation Act, 1923 permits appeals against orders in relation to compensation, distribution of compensation and awards of penalty if the dispute concerns an amount of Rupees three hundred and above. The Factories Bill raises this threshold to Rupees ten thousand and empowers the central government to further raise this limit. The Factories Bill also removes the power granted to employers to withhold payments owed to employees, when such employees have pending disputes under the Employee's Compensation Act, 1923.

Employee State Insurance Act, 1948

The Employee State Insurance Act, 1948 (the "**ESIA**"), requires the provision of certain benefits to employees or their beneficiaries in the event of sickness, maternity, disability or employment injury. The ESIA contemplates payment of a contribution by the principal employer and each employee to the Employee State Insurance Corporation of India. Penalties for failure to make contributions under the ESIA include imprisonment for a term which may extend to three years (which shall not be less than (i) one year in case of failure to pay the employee's contribution which has been deducted by him from the employee's wages a fine, or (ii) six months in any other case) and a fine.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the "**EPFA**"), institutes provident funds for the benefit of employees in factories, industrial undertakings and other establishments notified by the Government from time to time. Contributions are required to be made by employers and employees to a provident fund and pension fund established and maintained by the Government.

Payment of Gratuity Act, 1972

Under the Payment of Gratuity Act, 1972 (the "**PGA**"), an employee who has been in continuous service for five years is eligible for gratuity on retirement, resignation, death or disablement due to accident or disease. Entitlement to gratuity in the event of superannuation or death or disablement due to accident or disease is not contingent on an employee having completed five years of continuous service.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 (the "**PBA**"), provides for payment of a minimum annual bonus to all employees regardless of whether the employer has made a profit or a loss in the accounting year in which the bonus is payable. Contravention of the PBA by a company is punishable by imprisonment up to six months or a fine, or both, against persons in charge of, and responsible to the company for, the conduct of the business of the company at the time of contravention.

Environmental Legislations

The three major statutes in India which seek to regulate and protect the environment against pollution related activities in India are the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986 (the "**EPA**"). The Pollution Control Boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state to control and prevent pollution. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries and factories are required to obtain consent orders from the PCBs, and these orders are required to be renewed annually.

The Ministry of Environment and Forests through its notification dated 14 September 2006, issued the environmental impact assessment notification ("**EIA Notification**") (which supersedes the notification dated 27 January 1994 — except in respect of acts done/omitted to be done before such supersession) pursuant to the provisions of the Environment (Protection) Act, 1986. Projects and activities have been classified into two categories, Category A and Category B, based on the spatial extent of potential impacts and potential impacts on human health and natural and man-made resources. The Central Government has directed that on and from the date of publication of the EIA Notification, the construction of new projects or activities or the expansion or modernisation of existing projects or activities listed in the schedule thereto (which includes ports and harbour) entailing capacity addition with change in process and or technology shall be undertaken only after the prior environmental clearance from the Central Government (in case of Category A) or by the State Level Environment Impact Assessment Authority (in case of Category B). Ports and harbours with cargo handling capacity of less than five million tonnes per annum (excluding fishing harbours) fall under Category A and with cargo handling capacity of more than five million tonnes per annum and less than 10,000 tonnes per annum of fish handling capacity, fall under Category B.

Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 (the "**Water Act**") prohibits the use of any stream or well for disposal of polluting matter, in violation of standards set down by the State Pollution Control Board ("**SPCB**"). The Water Act also provides that the consent of the SPCB must be obtained prior to opening of any new outlets or discharges, which is likely to discharge sewage or effluent. In addition, the Water (Prevention and Control of Pollution) Cess Act, 1977 requires a person carrying on any industry to pay a cess in this regard.

Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 (the "**Air Act**") under which any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must obtain consent from the state pollution control board prior to commencing any mining activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

Hazardous Wastes (Management and Handling) Rules, 1989

The Hazardous Wastes (Management and Handling) Rules, 1989 fixes the responsibility of the occupier and the operator of the facility that treats hazardous wastes to properly collect, treat, store or dispose the hazardous wastes without adverse effects on the environment. Moreover, they must take

steps to ensure that persons working on the site are given adequate training and equipment for performing their work. When an accident occurs in a hazardous site or during transportation of hazardous wastes, then the SPCB has to be immediately alerted and the occupier will have to pay for remedial and restoration expenses.

Environmental Policy of the GMB

The GMB implements an environmental policy which aims to achieve compliance with relevant environmental legislations, minimise environmental impact of port operations and seek continual improvement in the environmental performance of all GMB ports. The GMB will integrate environmental issues in its own operations and in its contracts with third parties. The policy seeks to ensure that projects comply with the legal requirements and in line with Coastal Zone Management Plans ("**CZMP**").

Coastal Regulation Zone Notification, 1991

The Central Government issued the Coastal Regulation Zone ("**CRZ**") Notification, 1991 under section 3(1) and section 3(2)(v) of the EPA and Rule 5(3)(d) of the Environment (Protection) Rules 1986, for the purpose of conserving and protecting the coastal environment. By this CRZ Notification, 1991, the central government has declared the coastal stretches of seas, bays, estuaries, creeks, rivers and backwaters which are influenced by tidal action up to 500 metres from the High Tide Line ("**HTL**") and the land between the Low Tide Line ("**LTL**") and the HTL as Coastal Regulation Zone; and certain restrictions on the setting up and expansion of industries, operations or processes, in the said notification. The CRZ Notification, 1991 provides a list of prohibited activities and regulates the permissible activities. Operational constructions for ports and harbours and lighthouses and constructions for activities such as jetties, wharves, quays and slipways, pipelines, conveying systems including transmission lines has been identified as an activity requiring environmental and CRZ clearance from the MoEF. The CRZ Notification, 1991 further divides the coastal zone into four zones and lays down the activities that can be undertaken in each area.

Environmental Impact Assessment Notification, 1994

Ministry of Environment and Forest issued the Environment Impact Assessment S.O.60(E), dated 27/01/1994 under clause (a) of sub-rule (3) of rule 5 of the Environment (Protection) Rules, 1986 to impose restrictions and prohibitions on the expansion and modernisation of any activity or new projects being undertaken in any part of India unless environmental clearance has been accorded by the Central Government or the state government in accordance with the procedure specified in that notification was published as SO No. 80(E) dated 28 January 1993.

In case of the following site specific projects:

- mining;
- pit-head thermal power stations;
- hydro-power, major irrigation projects and/or their combination including flood control;
- ports and harbours (excluding minor ports);
- prospecting and exploration of major minerals in areas above 500 hectares;

The project authorities will intimate the location of the project site to the Central Government in the Ministry of Environment and Forests while initiating any investigation and surveys. The Central Government in the Ministry of Environment and Forests will convey a decision regarding suitability or otherwise of the proposed site within a maximum period of thirty days. The said site clearance shall be granted for a sanctioned capacity and shall be valid for a period of five years for commencing the construction, operation or mining.

Environmental Impact Assessment Notification, 2006

The Ministry of Environment and Forest issued the S.O. 1533 Whereas, a draft notification under sub-rule (3) of Rule 5 of the Environment (Protection) Rules, 1986 for imposing certain restrictions and prohibitions on new projects or activities, or on the expansion or modernisation of existing projects or activities based on their potential environmental impacts as indicated in the Schedule to the notification, being undertaken in any part of India, unless prior environmental clearance has been accorded in accordance with the objectives of National Environment Policy as approved by the Union Cabinet on 18 May 2006 and the procedure specified in the notification, by the Central Government or the State or Union territory Level Environment Impact Assessment Authority (SEIAA), to be constituted by the Central Government.

The following projects or activities shall require prior environmental clearance from the concerned regulatory authority, which shall hereinafter referred to be as the Central Government in the Ministry of Environment and Forests for matters falling under Category 'A' in the Schedule and at State level the State Environment Impact Assessment Authority (SEIAA) for matters falling under Category 'B' in the said Schedule, before any construction work, or preparation of land by the project management except for securing the land, is started on the project or activity:

(i) All new projects or activities listed in the Schedule to this notification;

(ii) Expansion and modernisation of existing projects or activities listed in the Schedule to this notification with addition of capacity beyond the limits specified for the concerned sector, that is, projects or activities which cross the threshold limits given in the Schedule, after expansion or modernisation;

(iii) Any change in product — mix in an existing manufacturing unit included in Schedule beyond the specified range.

The environmental clearance process for new projects will comprise of a maximum of four stages, all of which may not apply to particular cases as set forth below in this notification. These four stages in sequential order are:

- Stage (1) Screening (Only for Category 'B' projects and activities)
- Stage (2) Scoping
- Stage (3) Public Consultation
- Stage (4) Appraisal

Coastal Regulation Zone Notification, 2011

The Minister of State for Environment and Forests released the CRZ Notification, 2011 on 6 January 2011. The CRZ Notification, 2011 codified 25 amendments that were made to CRZ Notification, 1991 between 1991 and 2009. The CRZ Notification, 2011 has several new features, including:

- clear procedures for obtaining CRZ approval with timelines have been stipulated along with post-clearance monitoring and enforcement mechanisms;

- water area up to 12 nautical miles in the sea and the entire water area of a tidal water body, such as a creek, river or estuary, would now be included in the CRZ areas, without imposing any restrictions of fishing activities;

- the "no development zone" has been reduced from 200 metres from the HTL to 100 metres only to meet increased demands of housing of fishing and other traditional coastal communities; and

- the concept of a CZMP, to be prepared with the involvement and participation of local communities, has been introduced.

Foreign Exchange Laws

The current laws relating to ECBs as applicable to the issue of Notes are embodied in the RBI approvals and the ECB Guidelines. ECBs can be accessed under two routes: (i) the automatic route; and (ii) the approval route. The automatic route does not require a borrower to obtain any RBI approvals, whereas the approval route requires a prior RBI approval. The ECB Guidelines classify ECBs under the categories:

(i) medium term foreign currency denominated ECBs with minimum average maturity of three to five years (**Track I ECBs**);

(ii) long-term foreign currency denominated ECBs with minimum average maturity of ten years (**Track II ECBs**); and

(iii) Indian Rupee denominated ECBs with minimum average maturity of three to five years (**Track III ECBs**).

Automatic route

The following entities have been classified as recognised borrowers for raising Track I ECBs: (i) companies in the manufacturing and software development sectors; (ii) shipping and airlines companies; (iii) Small Industries Development Bank of India; (iv) units in special economic zones in India; and (v) companies in the infrastructure sector, NBFC-Infrastructure Finance Companies, NBFCs-Asset Finance Companies, holding companies and core investment companies. For Track II ECBs, all entities eligible under Track I ECBs can raise ECBs in addition to real estate investment trusts and infrastructure investment trusts coming under the regulatory framework of SEBI. In case of Track III ECBs, all entities eligible under Track II ECBs can raise ECBs in addition to (i) all NBFCs coming under the purview of RBI; (ii) NBFCs-micro finance institutions, not for profit companies, registered under the (Indian) Companies Act, 1956 or the (Indian) Companies Act, 2013, societies, trusts and co-operatives registered under the Societies Registration Act, 1860, Indian Trust Act, 1882 and State-level Co-operative Acts, Multi-level Co-operative Act, State level mutually aided Co-operative Acts, respectively, non-government organisations engaged in micro-finance activities;

(iii) companies engaged in miscellaneous services such as research and development, training (other than educational institutes), companies supporting infrastructure and companies providing logistics services; and (iv) developers of special economic zones and national manufacturing and investment zones.

The foreign lenders eligible to provide all the categories of ECBs include, *inter alia*: (i) international banks; (ii) international capital markets; (iii) multilateral financial institutions or regional financial institutions and Government-owned development (either wholly or partly) financial institutions; (iv) export credit agencies; (v) suppliers of equipment; (vi) foreign equity holders (vii) overseas long-term investors such as prudentially regulated financial entities, pension funds, insurance companies and sovereign wealth funds and financial institutions located in international financial services centres in India. However, no related party investors will be permitted under Track III ECBs.

ECB proceeds under Track I can be utilised for, *inter alia* (i) capital expenditure in the form of *inter alia* (i) import and local sourcing of capital goods, new projects and modernisation or expansion of existing production units; (ii) overseas direct investment in joint ventures or wholly-owned subsidiaries; (iii) acquisition of shares in the Government's disinvestment programme of public sector units; (iv) refinancing of existing ECBs, provided the residual maturity is not reduced. The proceeds of Track II ECBs and Track III can be used for all purposes, excluding (i) real estate activities; (ii) investing in capital markets or equity in the domestic market; (iii) on-lending to other entities for the above mentioned objectives; and (iv) purchase of land. NBFCs, under Track III ECBs, can use ECB proceeds only for (i) on-lending for any activities, including to infrastructure sector as permitted by the concerned regulatory department of RBI; (ii) providing hypothecated loans to domestic entities for acquisition of capital goods and equipment; and (iii) providing capital goods and equipment to domestic entities by way of lease and hire-purchases. Additionally, developers of special economic zones / national manufacturing and investment zones can raise ECB under Track III only for providing infrastructure facilities within the special economic zones / national manufacturing and investment zones.

Further, the maximum amount which can be raised every Fiscal Year under the automatic route is U.S.$750 million or its equivalent for companies in the infrastructure and manufacturing sector, NBFCs — infrastructure finance companies, NBFCs — asset finance companies, holding companies and core investment companies; U.S.$200 million or its equivalent for companies in the software development sector; U.S.$100 million or its equivalent for entities engaged in micro finance activities and U.S.$500 million or its equivalent for remaining entities. The all-in cost (which includes rate of interest, other fees and, expenses, charges and guarantee fees in foreign currency or Indian Rupees but does not include commitment fees, prepayment fees or charges, payments for withholding tax in Rupees) ceilings for (i) Track I ECBs is 300 basis points per annum over six month LIBOR or applicable benchmark for the respective currency for ECBs with minimum average maturity between three and five years and 450 basis points per annum over six month LIBOR or applicable benchmark for the respective currency for ECBs with minimum average maturity of more than five years; (ii) Track II ECBs is all conditions as under Track I ECBs, and a maximum spread of 500 basis points per annum over the benchmark; and (iii) Track III ECBs will be 300 basis points over the prevailing yield of the Government of India securities of corresponding maturity.

Approval route

All ECBs falling outside the automatic route limits are considered by the RBI under the approval route. ECBs which can be obtained with prior RBI approval include, *inter alia,* ECBs under Track I for the following purposes: (i) import of second hand goods under the Director General of Foreign Trade guidelines; and (ii) on-lending by the Export-Import Bank of India.

Filing and regulatory requirements in relation to issuance of Notes

An ECB borrower is required to obtain a loan registration number (LRN) from the RBI before an issuance of Notes is effected. To obtain this, ECB borrowers are required to submit a completed Form 83 certified by a company secretary or a chartered accountant to the AD Bank of the ECB borrower. The AD Bank is then required to forward the completed Form 83 to the RBI.

Any ECB borrower is required to submit an ECB-2 Return on a monthly basis via its AD Bank to the RBI.

Hedging requirements in relation to issuance of ECB

An ECB borrower is required to have a board approved risk management policy and is required to keep their ECB exposure hedged at 100% at all times. The borrower shall cover principal as well as coupon through financial hedges. A minimum tenor of one year of financial hedge would be required with a periodic rollover duly ensuring that the exposure on account of ECB is not un-hedged at any point during currency of the ECB. The designated AD Category-I Bank will have the responsibility of verifying that the 100% hedging requirement is complied with and report the position to RBI through ECB 2 returns.

Procedure in relation to any change to the Terms and Conditions of the Notes

Any change in the terms and conditions of the Notes after obtaining the LRN requires the prior approval of the RBI or AD Bank, as the case may be. Certain changes (such as amendments to the repayment date, currency, the name of the borrower, recognised lender, the purpose for which the ECB is utilised, all-in costs, cancellation of LRN, reduction in amount of the ECB or any change to the AD Bank) may be approved by the AD Bank under a delegated authority from the RBI subject to certain conditions being complied with. Any redemption of the Notes prior to their stated maturity or for taxation reasons (as further described in the Terms and Conditions of the Notes) will require the prior approval of the RBI or the AD Bank, as the case may be.

Foreign Currency (Non-Resident) Borrowings

In the Master Direction — Reserve Bank of India (Interest Rate on Deposits) Directions, 2016, read with the Master Direction — Reserve Bank of India (Interest Rate on Advances) Directions, 2016 ("**Interest on Advances Directions**"), the RBI sets out the revised framework in relation to the Foreign Currency (Non-resident) Accounts (Banks) Scheme. Pursuant to the Interest on Advances Directions, banks can determine the interest rates on advances in foreign currency in accordance with the comprehensive policy on interest rates on advances duly approved by the board of directors or any committee of the board of directors to which such powers have been delegated. The interest rate is required to be determined with reference to a market determined external benchmark and the actual lending rates are required to be determined by adding the components of spread to the external benchmark.

PRINCIPAL SHAREHOLDERS

The Promoters of our Company are Mr. Gautam S. Adani and Mr. Rajesh S. Adani. The shareholding pattern of our Company as at 31 March 2017 is as indicated in the table below:

Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of shareholders	PAN	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	Class eg: X	Class eg: y	Total		(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	**Indian**																		
(a)	**Central Government / State Government(s)**		—	—	—	—	—	0.00	—	—	—	0.00	—	0.00	—	0.00	—	0.00	—
(b)	**Financial Institutions/Banks**		—	—	—	—	—	0.00	—	—	—	0.00	—	0.00	—	0.00	—	0.00	—
(c)	**Any Other (Specify)**		4	1030340102	—	—	1030340102	49.75	1030340102	—	1030340102	49.75	—	49.75	—	0.00	375184533	36.41	1030340102
	Held by respective trustees (beneficial holders family trusts)																		
	Gautambhai Shantilal Adani & Rajeshbhai Shantilal Adani (on behalf of S. B. Adani Family Trust)	AAFTS2164Q	1	877317807	—	—	877317807	42.36	877317807	—	877317807	42.36	—	42.36	—	0.00	375184533	42.76	877317807
	Gautambhai Shantilal Adani & Pritiben Gautambhai Adani (on behalf of Gautam S. Adani Family Trust)	AAATG3082A	1	12480142	—	—	12480142	0.60	12480142	—	12480142	0.60	—	0.60	—	0.00	—	0.00	12480142
	Rajeshbhai Shantilal Adani & Shilin Rajeshbhai Adani (on behalf of Rajesh S. Adani Family Trust)	AAATR3801Q	1	30000	—	—	30000	0.00	30000	—	30000	0.00	—	0.00	—	0.00	—	0.00	30000
	Bodies Corporate																		

Category	Category & Name of shareholders	PAN	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
									Class eg: X	Class eg: y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
	Adani Properties Private Limited	AABCA3182H	—	—	—	—	—	0.00	—	—	—	0.00	—	0.00	—	0.00	—	0.00	—
	Parsa Kente Rail Infra LLP	AATFP8822A	1	140512153	—	—	140512153	6.78	140512153	—	140512153	6.78	—	6.78	—	0.00	—	0.00	140512153
	Sub Total (C)(1)		**4**	**1030340102**	**—**	**—**	**1030340102**	**49.75**	**1030340102**	**—**	**1030340102**	**49.75**	**—**	**49.75**	**—**	**0.00**	**375184533**	**36.41**	**1030340102**
2	**Foreign**																		
(a)	**Government**		**—**	**—**	**—**	**—**	**—**	**0.00**	**—**	**—**	**—**	**0.00**	**—**	**0.00**	**—**	**0.00**	**—**	**0.00**	**—**
(b)	**Institutions**		**—**	**—**	**—**	**—**	**—**	**0.00**	**—**	**—**	**—**	**0.00**	**—**	**0.00**	**—**	**0.00**	**—**	**0.00**	**—**
(C)	**Foreign Portfolio**	**Investor**	**—**	**—**	**—**	**—**	**—**	**0.00**	**—**	**—**	**—**	**0.00**	**—**	**0.00**	**—**	**0.00**	**—**	**0.00**	**—**
(d)	**Any Other (Specify)**																		
	Bodies Corporate		**4**	**239210775**	**—**	**—**	**239210775**	**11.55**	**239210775**	**—**	**239210775**	**11.55**	**—**	**11.55**	**—**	**0.00**	**—**	**0.00**	**239210775**
	Worldwide Emerging Market Holding Limited	AABCW7941G	1	79046818	—	—	79046818	3.82	79046818	—	79046818	3.82	—	3.82	—	0.00	—	0.00	79046818
	Universal Trade And Investments Limited	AABCU9283H	1	80861339	—	—	80861339	3.90	80861339	—	80861339	3.90	—	3.90	—	0.00		0.00	80861339
	Pan Asia Trade & Investment Private Limited	AAJCP0556A	1	5208562	—	—	5208562	0.25	5208562	—	5208562	0.25	—	0.25	—	0.00	—	0.00	5208562
	Afro Asia Trade and Investments Limited	AAOCA3024D	1	74094056	—	—	74094056	3.58	74094056	—	74094056	3.58	—	3.58	—	0.00	—	0.00	74094056
	Sub Total (d)(2)		**4**	**239210775**	**—**	**—**	**239210775**	**11.55**	**239210775**	**—**	**239210775**	**11.55**	**—**	**11.55**	**—**	**0.00**	**—**	**0.00**	**239210775**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		**8**	**1269550877**	**—**	**—**	**1269550877**	**61.30**	**1269550877**	**—**	**1269550877**	**61.30**	**—**	**61.30**	**—**	**0.00**	**375184533**	**29.55**	**1269550877**

Statement showing shareholding pattern of public shareholders

Category	Category & Name of shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	Class eg: X	Class eg: y	Total		(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	Institutions																	N.A.	
(a)	Mutual Fund		142	76431754	—	—	76431754	3.69	76431754	—	76431754	3.69	—	3.69	—	0.00		—	76431754
(b)	Venture Capital Funds		—	—	—	—	—	0.00	—	—	—	0.00	—	0.00	—	0.00		—	—
(c)	Alternate Investment Funds		—	—	—	—	—	0.00	—	—	—	0.00	—	0.00	—	0.00		—	—
(d)	Foreign Venture Capital Investors*		—	—	—	—	—	0.00	—	—	—	0.00	—	0.00	—	0.00		—	—
(e)	Foreign Portfolio Investor		483	481592479	—	—	481592479	23.25	481592479	—	481592479	23.25	—	23.25	—	0.00		—	481592479
	Elara India Opportunities Fund Limited	AABCE6307N		39910923	—	—	39910923	1.93	39910923	—	39910923	1.93	—	1.93	—	0.00		—	39910923
	Cresta Fund Ltd	AADCC2634A		32782070	—	—	32782070	1.58	32782070	—	32782070	1.58	—	1.58	—	0.00		—	32782070
	Baytree Investments (Mauritius) Pte Ltd	AACCB5343C		30217884	—	—	30217884	1.46	30217884	—	30217884	1.46	—	1.46	—	0.00		—	30217884
	EM Resurgent Fund	AACCE5562C		27485321	—	—	27485321	1.33	27485321	—	27485321	1.33	—	1.33	—	0.00		—	27485321
(f)	Financial Institutions/Banks		17	4859234	—	—	4859234	0.23	4859234	—	4859234	0.23	—	0.23	—	0.00		—	4859234
(g)	Insurance Companies		2	88243669	—	—	88243669	4.26	88243669	—	88243669	4.26	—	4.26	—	0.00		—	88243669
	Life Insurance Corporation of India	AAACL0582H		88180010	—	—	88180010	4.26	88180010	—	88180010	4.26	—	4.26	—	0.00		—	88180010
(h)	Provident Funds/ Pension Funds		—	—	—	—	—	0.00	—	—	—	0.00	—	0.00	—	0.00		—	—
(i)	Any Other (Specify)		—	—	—	—	—	0.00	—	—	—	0.00	—	0.00	—	0.00		—	—
	Foreign Bank		—	—	—	—	—	0.00	—	—	—	0.00	—	0.00	—	0.00		—	—
	Foreign Institutional Investors		66	44439953	—	—	44439953	2.15	44439953	—	44439953	2.15	—	2.15	—	0.00		—	44439953
	Sub Total (B)(1)		710	695567089	—	—	695567089	33.59	695567089	—	695567089	33.59	—	33.59	—	0.00		—	695567089
2	Central Government/ State Government(s)/ President of India		3	1054010	—	—	1054010	0.05	1054010	—	1054010	0.05	—	0.05	—	0.00		—	1054010
	Sub Total (B)(2)		3	1054010	—	—	1054010	0.05	1054010	—	1054010	0.05	—	0.05	—	0.00		—	1054010

Category	Category & Name of shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights										
									Class eg: X	Class eg: y	Total	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)		(IX)			(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
3	Non-Institutions																	N.A.	—
(a)	Individuals																	—	—
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		279782	47745205	—	—	47745205	2.31	47745205	—	47745205	2.31	—	2.31	—	0.00		—	47117469
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		29	9200116	—	—	9200116	0.44	9200116	—	9200116	0.44	—	0.44	—	0.00		—	9200116
(b)	NBFCs registered with RBI		—	—	—	—	—	0.00	—	—	—	0.00	—	0.00	—	0.00		—	—
(c)	Employee Trusts		—	—	—	—	—	0.00	—	—	—	0.00	—	0.00	—	0.00		—	—
(d)	Overseas Depositories (holding DRs) (balancing figure)		—	—	—	—	—	0.00	—	—	—	0.00	—	0.00	—	0.00		—	—
(e)	Any Other (Specify)		14544	47834464	—	—	47834464	2.31	47834464	—	47834464	2.31	—	2.31	—	0.00		—	47828816
	Trusts		16	477103	—	—	477103	0.02	477103	—	477103	0.02	—	0.02	—	0.00		—	477103
	Foreign Nationals		2	14273	—	—	14273	0.00	14273	—	14273	0.00	—	0.00	—	0.00		—	14273
	Hindu Undivided Family		9532	3366664	—	—	3366664	0.16	3366664	—	3366664	0.16	—	0.16	—	0.00		—	3366664
	Foreign Company		1	59679	—	—	59679	0.00	59679	—	59679	0.00	—	0.00	—	0.00		—	59679
	Non Resident Indians (Non Repat)		882	324042	—	—	324042	0.02	324042	—	324042	0.02	—	0.02	—	0.00		—	324042
	Non Resident Indians (Repat)		2237	8455207	—	—	8455207	0.41	8455207	—	8455207	0.42	—	0.42	—	0.00		—	8455207
	Clearing Member		665	3726980	—	—	3726980	0.18	3726980	—	3726980	0.07	—	0.07	—	0.00		—	3726980
	Bodies Corporate		1209	31410516	—	—	31410516	1.52	31410516	—	31410516	1.69	—	1.69	—	0.00		—	31404868
	Sub Total (B)(3)		294355	104779785	—	—	104779785	5.06	104779785	—	104779785	5.06	—	5.06	—	0.00		—	104146401
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)		295068	801400884	—	—	801400884	38.70	801400884	—	801400884	38.70	—	38.70	—	0.00		N.A.	800767500

* Refers to foreign venture capital investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI.

Shareholdings of persons belonging to the category “Promoter and Promoter Group” as at 31 March 2017 is detailed in the table below:

Name of the Shareholder	No. of Equity Shares held	As a % of total
Parsa Kente Rail Infra LLP	140,512,153	6.78
Rajesh S Adani/Shilin R Adani (On behalf of Rajesh S Adani Family Trust)	30,000	0.00
Gautam S Adani/Rajesh S Adani (On behalf of S B Adani Family Trust)	877,317,807	42.36
Gautam S Adani/Priti G Adani (On behalf of Gautam S Adani Family Trust)	12,480,142	0.60
Pan Asia Trade & Investment Private Limited, Mauritius	5,208,562	0.25
Worldwide Emerging Market Holding Ltd, Mauritius	79,046,818	3.82
Universal Trade and Investments Ltd., Mauritius	80,861,339	3.90
Afro Asia Trade and Investments Limited, Mauritius	74,094,056	3.58
Total	**1,269,550,877**	**61.30**

Note:

We have received an application dated 3 January 2017 ("**Application**") from Rakesh Ramanlal Shah, Priti Rakeshbhai Shah, Surekha Bhavikbhai Shah, Bhavik Bharatbhai Shah and Vinod Sanghavi for re-classification of their shareholding in our Company from "promoter group shareholder" to a "public shareholder". Our Company submitted the receipt of application to BSE and NSE on 5 January 2017 and made an application to SEBI seeking guidance for re-classification under Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**").

Subsequently, the Board of Directors at its meeting held on 14 February 2017 approved the re-classification of promoter group, subject to statutory approvals as may be required. The SEBI, by way of its letter dated 23 February 2017, stated that it provided informal guidance on substantially similar set of facts and queries to other listed entities on 17 October 2016. The letter dated 17 October 2016 issued by SEBI to listed entities, *inter alia* indicated that a listed entity may not be required to obtain the approval of its shareholders for the proposed re-classification, and such re-classification may be permitted by the stock exchanges under Regulation 31A (2) and (3) of SEBI LODR. Accordingly, our Company made an application to BSE and NSE on 6 March 2017 for re-classification of promoter group which was approved by BSE and NSE on 20 March 2017 and 15 March 2017, respectively.

DESCRIPTION OF MATERIAL INDEBTEDNESS

The following summary of certain provisions of our loan facilities, debentures and other indebtedness does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying credit agreements, bonds and other documentation. Furthermore, this summary relates primarily to principal long-term indebtedness.

As at 31 March 2017, our total borrowings (indebtedness (excluding corporate guarantees)) outstanding were Rs. 222,142.6 million on a consolidated basis. The total borrowings (indebtedness) as at 31 March 2017 consisted of long-term borrowings, current maturities of long-term borrowings, short-term borrowings and customers' bills discounted. The borrowings include rupee loans, foreign currency loans, bonds, notes, debentures and liability component of preference shares. Approximately 60% of our consolidated total outstanding borrowings as at 31 March 2017 were denominated in foreign currency, principally in U.S. Dollars and others in Euros and JPY, with the remainder denominated in Rupees. Approximately 61% of our consolidated total outstanding borrowings as at 31 March 2017 was unsecured in nature.

We utilise a variety of short-term debt instruments. As at 31 March 2017, of our total outstanding borrowings, Rs. 25,338.9 million were current borrowings.

Rupee Borrowings

Rupee Bank Loans

Our Company does not have any rupee bank loans. Our Subsidiaries are party to facility agreements under which borrowings are denominated in Rupees ("**Rupee Bank Loans**") with financial institutions. As at 31 March 2017, the aggregate outstanding amount of rupee term loans from banks totalled Rs. 4,836.11 million on a consolidated basis.

Rupee Bank Loans bear interest at floating rates calculated with reference to the base rate of the relevant lenders. Interest payments are generally payable monthly and must be made on each payment date as provided in the particular facility agreement. As at 31 March 2017, the interest rate applicable per annum on the Rupee Bank Loans ranged from 8.20% (with Rs. 4,847.1 million being outstanding) to 11.60% (with Rs. 3.0 million being outstanding) per annum.

The facilities are typically secured by a charge over our current and future assets including movable and immovable properties in relation to projects undertaken, intangible assets, contractual rights and interest, receivables and shares held in our Subsidiaries.

The following is a description of certain material terms of the Rupee Bank Loans.

HDFC Bank Limited

Our Subsidiary, DPCL entered into a term loan agreement dated 12 July 2016 with HDFC Bank Limited for an aggregate amount of Rs. 5,000 million. It is repayable in 6 quarterly installments ending in 2022. As at 31 March 2017, an amount of Rs. 4,833.1 million was outstanding.

RBL Bank Limited

Our Subsidiary, MPSEZ Utilities Private Limited entered into a term loan agreement dated 21 April 2015 with RBL Bank Limited for an aggregate amount of Rs. 5 million. It is repayable in 20 quarterly installments ending in 2020. As at 31 March 2017, an amount of Rs. 3.0 million was outstanding.

Rupee Debentures

10.50% Non-Convertible Debentures (allotted 27 September 2012)

In September 2012, our Company issued Rs. 7,750 million of 10-year secured, redeemable NCDs at a fixed rate of 10.50% per annum. The NCDs are listed on the BSE and are secured by a charge over, *inter alia*, single-point mooring facilities and other ancillary fixed assets of the Company. As at 31 March 2017, the amount outstanding pursuant to the NCDs was Rs. 936.8 million. The NCDs are redeemable in specified installments over a period of 10 years from 27 September 2012, the deemed date of allotment.

10.50% Non-Convertible Debentures (allotted 2 March 2013)

In March 2013, our Company issued Rs. 4,940 million of 10-year secured NCDs at a fixed rate of 10.50% per annum. The NCDs are listed on the BSE and are secured by, *inter alia*, a first ranking *pari passu* charge on Multi-purpose Terminal 1 and Terminal 2 at Mundra Port and container terminal assets (excluding single-point mooring project assets, coal terminal project assets, capital goods having exclusive charge and SEZ land) and are subject to security cover of 1.25 times its mortgaged assets over all the outstanding debentures. As at 31 March 2017, the amount outstanding pursuant to the NCDs was Rs. 4,940 million. The NCDs are redeemable in three equal annual instalments at the end of the 8th, 9th and 10th year from 2 March 2013, the deemed date of allotment.

10.15% Non-Convertible Debentures (allotted 16 September 2014)

In September 2014, our Company issued Rs. 5,100 million of 3-year secured NCDs at a fixed rate of 10.15% per annum. The NCDs are listed on the BSE and are secured by, *inter alia*, a first ranking *pari passu* charge on Multi -purpose Terminal 1 and Terminal 2 at Mundra Port and container terminal assets (excluding single-point mooring project assets, coal terminal project assets, capital goods having exclusive charge and SEZ land) and are subject to security cover of 1.10 times its mortgaged assets over all the outstanding debentures. As at 31 March 2017, the amount outstanding pursuant to the NCDs was Rs. 1,105.3 million. The NCDs are redeemable in equal installments at the end of months 24, 30 and 36 from 16 September 2014, the deemed date of allotment.

9.35% Non-Convertible Debentures (allotted 27 May 2016)

In May 2016, our Company issued Rs. 2,000 million of secured NCDs in two tranches of Rs. 1,000 million each for tenors of 7 years and 10 years, respectively at a fixed rate of 9.35% per annum. The NCDs are listed on the BSE and are secured by, *inter alia*, a first ranking *pari passu* charge on Multi-purpose Terminal 1, Terminal 2, and the Terminal 2 extension at Mundra Port, backup land in the village of Dhrab, Mundra and immovable property in relation to the railway lands and are subject to security cover of 1.10 times the aggregate of the principal amount of all debentures outstanding. As at 31 March 2017, the amount outstanding pursuant to the NCDs was Rs. 1,977.82 million. Both tranches of NCDs are redeemable as bullet payments at the end of seven and ten years respectively from 27 May 2016, the deemed date of allotment.

9.05% Non-Convertible Debentures (allotted 23 March 2016)

In March 2016, our Company issued Rs. 1,500 million of NCDs at a fixed rate of 9.05% per annum. The NCDs are listed on the BSE and secured by, *inter alia*, a first ranking *pari passu* charge on Multi-purpose Terminal 1 and Terminal 2 at Mundra Port and container terminal assets (excluding single-point mooring project assets, coal terminal project assets, capital goods having exclusive

charge and SEZ land) and are subject to security cover of 1.10 times the aggregate of the principal amount of all debentures outstanding. As at 31 March 2017, the amount outstanding pursuant to the NCDs was Rs. 1,500 million. The NCDs are redeemable as a bullet payment three years and two months from 23 March 2016, the deemed date of allotment.

9.05% Non-Convertible Debentures (allotted 11 April 2016)

In April 2016, our Company issued Rs. 5,000 million of 3-year secured NCDs at a fixed rate of 9.05% per annum. The NCDs are listed on the BSE and secured by, *inter alia*, a first ranking *pari passu* charge on Multi-purpose Terminal 1 and Terminal 2 at Mundra Port and container terminal assets (excluding single-point mooring project assets, coal terminal project assets, capital goods having exclusive charge and SEZ land) and are subject to security cover of 1.10 times the aggregate of the principal amount of all debentures outstanding. As at 31 March 2017, the amount outstanding pursuant to the NCDs was Rs. 4,967.3 million. The NCDs are redeemable as a bullet payment on the last day of the third year from 11 April 2016, the deemed date of allotment.

9.05% Non-Convertible Debentures (allotted 16 February 2016)

In February 2016, our Company issued Rs. 7,500 million of secured NCDs at a fixed rate of 9.05% per annum. The NCDs are listed on the BSE and secured by, *inter alia*, a first ranking *pari passu* on Multi-purpose Terminal 1 and Terminal 2 at Mundra Port and container terminal assets (excluding single-point mooring project assets, coal terminal project assets, capital goods having exclusive charge and SEZ land) and are subject to security cover of 1.10 times the aggregate of the principal amount of all debentures outstanding. As at 31 March 2017, the amount outstanding pursuant to the NCDs was Rs. 7,500 million. The NCDs are redeemable as a bullet payment three years and two months from, 16 February 2016, the deemed date of allotment.

9.15% Non-Convertible Debentures (allotted 29 March 2016)

In March 2016, our Company issued Rs. 5,000 million of secured NCDs at a fixed rate of 9.15% per annum. The NCDs are listed on the BSE and secured by, *inter alia*, a first ranking *pari passu* charge Multi-purpose Terminal 1 and Terminal 2 at Mundra Port and container terminal assets (excluding single-point mooring project assets, coal terminal project assets, capital goods having exclusive charge and SEZ land) and are subject to security cover of 1.10 times the aggregate of the principal amount of all debentures outstanding. As at 31 March 2017, the amount outstanding pursuant to the NCDs was Rs. 2,111.0 million. The NCDs are redeemable as a bullet payment thirteen months from 29 March 2016, the deemed date of allotment.

9.35% Non-Convertible Debentures (allotted 4 July 2016)

In July 2016, our Company issued Rs. 2,520 million of 10-year NCDs at a fixed rate of 9.35% per annum. The NCDs are listed on the BSE and secured by, *inter alia*, a first ranking *pari passu* charge on coal terminal project assets (excluding Multi-purpose Terminal 1 and Terminal 2 at Mundra Port and container terminal project assets, capital goods having exclusive charge and SEZ Land) in the village of Tunda Wandh, Mundra. As at 31 March 2017, the amount outstanding pursuant to the NCDs was Rs. 2,512.0 million. The NCDs are redeemable as a bullet payment ten years from 4 July 2016, the deemed date of allotment.

9.05% Non-Convertible Debentures (allotted 18 July 2016)

In July 2016, our Company issued Rs. 10,000 million of NCDs at a fixed rate of 9.05% per annum. The NCDs are listed on the BSE and secured by, *inter alia*, a first ranking *pari passu* charge on coal terminal project assets (excluding Multi-purpose Terminal 1 and Terminal 2 at Mundra Port and container terminal project assets, capital goods having exclusive charge and SEZ Land) in the village of Tunda Wandh, Mundra. As at 31 March 2017, the amount outstanding pursuant to the NCDs was Rs. 4,988.7 million. The NCDs are redeemable in four equal monthly installments in May, June, August and September 2018.

8.24% Non-Convertible Debentures (allotted 29 November 2016)

In November 2016, our Company issued Rs. 13,000 million of NCDs which bear an interest rate of 8.24% per annum. The NCDs are listed on the BSE and secured by way of exclusive charge on all receivables of Adani Vizag Coal Terminal Private Limited, Adani Kandla Bulk Terminal Private Limited and Adani Murmugao Port Terminal Private Limited. The NCDs are redeemable in three equal installments at the end of eighth, ninth and tenth year from 29 November 2016, the deemed date of allotment.

8.22% Non-Convertible Debentures (allotted 8 March 2017)

In March 2017, our Company issued Rs. 10,000 million of NCDs which bear an interest rate of 8.22% per annum. The NCDs are listed on the BSE and are secured by way of exclusive charge on of the Coal and Bulk Terminal, situated in the West Basin at the Port of Mundra. The NCDs are redeemable in three equal installments at the end of eighth, ninth and tenth year from 8 March 2017, the deemed date of allotment.

Other Indebtedness

Our Company has also entered into working capital facility agreements which are primarily used for the issuance of letters of credit and capital expenditure. Such working capital facilities have been borrowed from various banks including IDFC Bank Limited, Society General, Axis Bank Limited, IndusInd Bank, State Bank of India, ICICI Bank Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Kotak Mahindra Bank (previously ING Vysya) and Yes Bank Limited.

As at 31 March 2017, the outstanding amount under these working capital facilities was Rs. 21,165.4 million.

Covenants

The Rupee Borrowings typically include covenants customary for facilities of this nature, including covenants which require the prior consent of the lenders for, *inter alia*, the following:

- raising any indebtedness by the borrower;
- entering into any long-term contracts having a material adverse effect;
- issuing any guarantee except in the ordinary course of business;
- revaluating the borrower's assets or properties except as required under law;

- change of control;

- paying any commission to any director, members or other person for furnishing guarantees or indemnities or for undertaking any other liability in connection with any indebtedness incurred in relation to the project;

- undertaking any merger, demerger, consolidation, re-organisation, amalgamation, scheme of arrangement or compromise.

The Rupee Loans also impose certain financial covenants, including those which require our Company to maintain:

- a maximum debt to equity ratio;

- a minimum debt service coverage ratio;

- a maximum debt gearing ratio;

- a minimum interest service coverage ratio.

The Rupee Loans include customary event of default provisions wherein the lenders are entitled to terminate their respective Rupee Loans and/or demand immediate repayment of the Rupee Loans and any accrued interest and/or foreclose on secured assets under the respective Rupee Loans if any specified event of default occurs and is not cured within the cure period.

Foreign Borrowings

3.50% Senior Notes Due 2020

On 29 July 2015, our Company issued U.S.$650 million 3.50% Senior Notes due 2020 (the "**2015 Senior Notes**"). The 2015 Senior Notes bear interest at the rate of 3.50% per annum, payable semi-annually on 29 January and 29 July of each year. The 2015 Senior Notes constitute (subject to certain conditions) unsecured and unsubordinated obligations of our Company and rank *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations, but in the event of insolvency, only to the extent permitted by applicable law relating to creditors' rights. Unless previously redeemed or repurchased and cancelled, our Company will redeem each 2015 Senior Note at its principal amount, together with any accrued but unpaid interest, on 29 July 2020. The 2015 Senior Notes have covenants and events of default substantially similar to those that will be in the Notes offered pursuant to this Offering Circular.

3.95% Senior Notes Due 2022

On 19 January 2017, our Company issued U.S.$500 million 3.95% Senior Notes due 2022 (the "**2017 Senior Notes**"). The 2017 Senior Notes bear interest at the rate of 3.95% per annum, payable semi-annually on 19 January and 19 July of each year. The 2017 Senior Notes constitute (subject to certain conditions) unsecured and unsubordinated obligations of our Company and rank *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations, but in the event of insolvency, only to the extent permitted by applicable law relating to creditors' rights. Unless

previously redeemed or repurchased and cancelled, our Company will redeem each 2017 Senior Note at its principal amount, together with any accrued but unpaid interest, on 19 July 2022. The 2017 Senior Notes have covenants and events of default substantially similar to those that will be in the Notes offered pursuant to this Offering Circular.

We have also entered into foreign currency credit facility agreements with various banks and other financial institutions. The following is a description of certain material terms of our foreign currency credit facilities.

Foreign Currency (Non-Resident) Borrowings

We have entered into foreign currency (non-resident) credit facility agreements with Citibank N.A. (the "**FCNRBs**"). As at 31 March 2017, the total amount outstanding under our FCNRBs was U.S.$35 million (Rs. 2,269.75 million), all which consisted of current maturities of long-term borrowings.

Borrowings under our foreign currency credit facility agreements bear interest at daily LIBOR plus 1.20% per annum. Subject to certain conditions, the loans under our credit facilities may be prepaid in whole or in part. In certain circumstances, such as a change of control of the borrower, the lenders have the option to require us to prepay the outstanding loan amounts. Amounts prepaid may not be re-borrowed.

ECBs and Foreign Currency Loans

The following is a description of certain material terms of our ECBs and foreign currency loans.

The Export-Import Bank of India

Our Company entered into a facility agreement with the Export-Import Bank of India, dated 28 October 2015 for an amount of up to U.S.$160.0 million. As at 31 March 2017, the amount outstanding pursuant to the facility agreement was U.S.$135.4 million.

Our Subsidiary Adani Logistics (formerly Inland Conware Private Limited) entered into a loan agreement with the Export-Import Bank of India, dated 18 September 2007, for an amount of up to U.S.$24.7 million. As at 31 March 2017, the amount outstanding pursuant to the facility agreement was U.S.$3.9 million.

Our Subsidiary Adani Dahej entered into a facility agreement with the Export-Import Bank of India, dated 31 July 2007, for an amount up to the U.S. dollar equivalent of Rs. 1.0 billion. As at 31 March 2017, the amount outstanding pursuant to the facility agreement was U.S.$13.0 million.

Our Subsidiary DPCL entered into a facility agreement with the Export-Import Bank of India, dated 30 March 2016, for an amount up to U.S.$100.0 million. As at 31 March 2017, the amount outstanding pursuant to the facility agreement was U.S.$49.0 million.

Axis Bank

Our Subsidiary Adani Dahej entered into a loan agreement with Axis Bank Limited, dated 22 September 2011, for an amount up to U.S.$25.0 million. As at 31 March 2017, the amount outstanding pursuant to the loan agreement was U.S.$11.18 million.

Barclays Bank

Our Company entered into a facility agreement with Barclays Bank PLC, dated 26 May 2016, for an amount of up to U.S.$75.0 million. As at 31 March 2017, the amount outstanding pursuant to the facility agreement was U.S.$74.5 million.

The Bank of Tokyo-Mitsubishi UFJ

Our Company entered into a facility agreement with The Bank of Tokyo-Mitsubishi UFJ, Ltd., dated 18 March 2016 for an amount up to U.S.$160.0 million. As at 31 March 2017, the amount outstanding pursuant to the facility agreement was U.S.$159.6 million.

DZ Bank

Our Company entered into facility agreements with DZ Bank AG Deutsche Zentral-Genossenschaftsbank, dated 10 August 2011 and 15 July 2009, for amounts up to €44.2 million and €6.3 million, respectively. As at 31 March 2017, the aggregate amount outstanding pursuant to the facility agreements was €24.3 million.

HSH Nordbank

Our Company entered into a facility agreement with HSH Nordbank AG, dated 27 September 2011, for an amount up to €21.9 million. As at 31 March 2017, the amount outstanding pursuant to the facility agreement was €10.8 million.

Societe Generale

Our Company entered into a facility agreement with Societe Generale Hong Kong Branch, dated 26 May 2016, for an amount of up to U.S.$75.0 million. As at 31 March 2017, the amount outstanding pursuant to the facility agreement was U.S.$74.5 million.

Covenants

The facility agreements contain covenants customary for facilities of this nature, including covenants that limit our ability, without prior written consent of the relevant lenders, to:

- create or permit to subsist security interests over our assets;
- enter into arrangements other than in the ordinary course of business and on an arm's length basis;
- incur other financial indebtedness, give guarantees or assume lease obligations (subject to carve outs in the respective facility agreements).;
- engage in new businesses;
- enter into mergers or consolidations;
- permit a change of control of the borrowing entity; and

- sell or otherwise dispose of certain assets (subject to carve outs in the respective facility agreements).

The Foreign Borrowings also impose certain financial covenants, including those that require us to maintain:

- a minimum tangible net worth;
- a maximum debt to equity ratio;
- a minimum debt service coverage ratio;
- a maximum total outstanding liabilities to tangible net worth ratio; and
- a minimum fixed assets coverage ratio (fixed assets charged to outstanding indebtedness).

Events of Default

The facility agreements contain customary events of default and provide that upon the occurrence of an event of default, the lenders may cancel the undrawn commitments and declare the loans (including interest) immediately due and payable if an event of default occurs and is not cured within the agreed curing period.

LEGAL PROCEEDINGS

Except as described below, our Company is not involved in any legal or regulatory proceedings or disputes, and no investigations or proceedings are threatened, which may have, or have had, a material adverse effect on the business, financial condition or operations of our Company. Our Company believes that the number of proceedings and disputes in which our Company is involved in is not unusual for a company of its size in the context of doing business in India, the current Indian regulatory and legal environment and in the international market. Civil, regulatory and tax related proceedings involving our Company, Subsidiaries and Directors have been described below.

Civil Cases

1. Sameja Osman Ishak and 22 others have filed a special civil application before the High Court of Gujarat against our Company and others challenging *inter alia* the order dated 15 July 2005 passed by the Collector allotting certain land to our Company for the purpose of a special economic zone and the resolution dated 27 June 2005 passed by the Department of Revenue, state government of Gujarat, which accorded the authority to the Collector to pass the order dated 15 July 2005. Our Company has filed a reply dated 6 August 2007. Further, a rejoinder dated 19 September 2007 has been filed by the petitioners. The matter is currently pending.

2. Kheti Vikas Seva Trust (an association of 200 villagers) filed a writ petition dated 24 January 2011 before the High Court of Gujarat against the state of Gujarat, our Company, Adani Power Limited and others, alleging that the power plant set up by Adani Power Limited, on the land allotted to our Company for the setting up of a special economic zone is in violation of the necessary requirements for setting up such plants, including environmental laws. In response to the writ petition, the MoEF appointed a multi-disciplinary committee, which in its report dated 18 April 2013, alleged that we violated certain environmental regulations during the development of port facilities at Mundra. We also received a show cause notice from the MoEF on 30 September 2013, which related to the report of the committee. Subsequently, on 14 October 2014, we submitted our response to the MoEF, responding to the facts and conclusions made by the Committee. While the matter has been disposed of by the MoEF by way of its order dated 16 September 2015, our Company is required to comply with the directions stipulated therein, including among others (i) finance the comprehensive and integrated conservation plan for the protection of creeks and mangrove areas and maintenance of the fragile ecological conditions of Bocha Island to Baradimata to be prepared by the National Centre for Sustainable Coastal Management in consultation with the National Institute of Ocean Technology, our Company and the Gujarat Coastal Zone Management Authority; (ii) submit a specific action plan (including a budget) to protect the livelihood of fishermen; (iii) voluntarily return grazing land, if any, in our Company's possession; and (iv) finance the preparation of a regional strategic impact assessment report with a special focus on Mundra is to be prepared. The writ petition has been dismissed by the High Court of Gujarat on 17 April 2015. However, an application filed by the petitioner alleging non-compliance of an order of the High Court of Gujarat at Ahmedabad (the "**Court**") dated 12 July 2011 prohibiting the cutting of mangroves and other forests during the pendency of the petition without permission of the state forest and environment department in relation to the writ petition is still pending. The Court by way of an order dated on 5 November 2015

ordered the formation of an expert committee to assess the damage caused to the mangroves and other forests during the pendency of the petition (the "**Committee**"). Subsequently, the Committee submitted its report on 7 June 2016, and our Company submitted a response to the findings of the Committee. The matter is currently pending.

3. Gajubha Bhimaji Jadeja and others have filed a writ petition (in the nature of a public interest litigation) before the High Court of Gujarat against the Union of India, our Company and others alleging that our Company and 12 other respondent companies are carrying out operations from business units in the Mundra SEZ without the Mundra SEZ having been granted environmental clearance from the MoEF. The High Court of Gujarat pursuant to its order dated 13 January 2014 directed the MoEF to decide on the application for grant of environmental clearance to the Mundra SEZ within 30 days and directed that till such appropriate decision is taken, no further activity in the form of construction, including the functioning of the units in the area in question, will be permitted. The respondents have filed appeals before the Supreme Court of India against the judgment and order dated 13 January 2014 and the Supreme Court of India pursuant to its order dated 27 January 2014 issued a notice and ordered that in the meanwhile, the units in the Mundra SEZ in respect of which the impugned order has been passed may continue to function, but no further construction activity with regard to any unit existing or upcoming, will be carried out. In the meanwhile, the MoEF pursuant to a letter dated 3 April 2014 stated that the High Court of Gujarat, in its order dated 13 January 2014, has observed that the act of giving special economic zone land on lease to units in the Mundra SEZ before a grant of environmental clearance amounts to violation of the provisions of the Environment Impact Assessment Notification dated 14 September 2006 and directed our Company to submit a formal resolution to the effect that our Company shall not repeat such violation. Subsequently, the Supreme Court of India pursuant to its order dated 2 May 2014 stated that it had directed the MoEF to complete the process of environmental clearance and not stayed the process and also directed the MoEF to complete the process of environmental clearance to the Mundra SEZ within eight weeks. Thereafter, the Supreme Court of India pursuant to its order dated 14 July 2014 again directed the MoEF to complete the process of environmental clearance within a further period of eight weeks and directed the secretary of the MoEF to oversee the process. The MoEF has issued a formal letter dated 15 July 2014 granting environmental clearance. The matter is currently pending.

4. Our Company filed a special civil application on 12 April 2017 before the High Court of Gujarat challenging communications received from the Development Commissioner, Mundra (Kutch) and the Ministry of Commerce and Industry, Department of Commerce of the Government of India in relation to the procurement of duty-free high speed diesel oil for use in relation to carrying out its authorised operations. By way of correspondence dated 28 June 2011, our Company was informed by the Development Commissioner, Mundra (Kutch) that the request for procurement of duty-free high speed diesel oil cannot be granted as our Company was not involved in any manufacturing process which would satisfy the definition of "consumable" stipulated under Rule 2(1)(g), of the Special Economic Zone Rules, 2006. Subsequently, our Company by way of letters dated 25 August 2011 and 6 September 2011, requested permission to import diesel by furnishing a bank guarantee corresponding to the duty payable, pursuant to which our Company would from time to time furnish the applicable bank guarantees and import diesel. Thereafter, the Commissioner by way of its letter dated 9 October 2014, disallowed our Company from importing duty-free high speed diesel oil against furninshing of bank guarantee.

   The Commissioner by way of a subsequent letter dated 12 April 2017, stated that the final assessment of duty payable by our Company in relation to the import of diesel for the period from

30 September 2011 to 12 October 2014, amounted to approximately Rs. 714.79 million and accordingly directed our Company to deposit the amount, failing which bank guarantees furnished by our Company would be invoked. The High Court of Gujarat by way of its order dated 24 April 2017, stayed the implementation of directions issued by the Commissioner in his letter of 12 April 2017 and permitted our Company to procure duty-free high speed diesel oil for carrying out authorised operations, against the furnishing of a bank guarantee equivalent to the duty payable. The matter is currently pending.

5. Pravinsingh Bhurabha Chauhan filed a public interest litigation by way of a writ petition before the High Court of Gujarat against the Union of India, State of Gujarat, our Company and others alleging that a certain plot of land known as 'Mor Dhuva' was not allotted to our Company and accordingly that our Company should be restrained from carrying out any activity, including ship recycling activities, without any prior permission or authorisation in and around sand dunes including 'Mor Dhuva' in Tunda and Vandh villages, Kutch, Gujarat. Pursuant to the High Court's order dated 10 July 2014, the Collector, Kutch was ordered to submit a report in relation to the allegations raised. Pursuant to such order of the High Court, the Collector filed affidavits dated 10 July 2014, 24 July 2014 and 28 July 2014, *inter alia*, stating that the forest department allotted 1,840 hectares of forest land to our Company for non-forest purposes and that our Company was currently not undertaking any objectionable activity therein. Our Company in its reply stated, *inter alia*, that 'Mor Dhuva' was allotted to our Company in the year 2009 and requisite environmental clearances had been obtained for waterfront development and that no construction activites had been undertaken at the site. Subsequently, the MoEF restated the affirmations made by the Collector, by way of an affidavit dated 3 November 2014. Accordingly, the High Court, upon review of the affidavits and submissions made, dismissed the petition by way of an order and judgment dated 18 February 2015. Subsequently, the petitioner filed a petition seeking special leave to appeal before the Supreme Court of India, challenging the order, *inter alia*, on the basis of the Sunita Narain Committee report on our Company and questioning the anomaly in the maps submitted by our Company at the time our Company sought permission to use the forest land. The matter is currently pending.

6. 37 land related cases have been filed before various courts against our Company on grounds of disputes arising in relation to (i) partial or complete ownership of land; (ii) validity and legality of agreements to sale; (iii) specific performance of sale deeds; (iv) acquisition of land fraudulently or under threat; (v) cancellation of sale deeds; (vi) notification of land and resumption of Gauchar land in favour of our Company; (vii) easementary rights in relation to land; (viii) illegal construction or development of land; (ix) inheritance rights in land; (x) challenge of entries in revenue and other land records; (xi) our Company's directive prohibiting 2 sub-lessors from carrying on warehousing operations in the Mundra SEZ; and (xii) illegal encroachment of land. These matters are currently pending at various forums including the High Court of Gujarat and the Supreme Court of India.

7. The Gujarat Pollution Control Board, Gandhinagar issued a show cause notice dated 17 April 2017 against our Company, wherein it made reference to the Supreme Court of India's judgment in writ petition no. 375 of 2012 which stated that no industry can function unless it has a functional effluent treatment plant, capable to meet the prescribed norms for removing pollutants from the effluent, before it is discharged. Accordingly, it directed our Company to comply with the above directive and inform it and the Regional Office (Kutch-East) of our Company's compliance. Our Company filed its reply on 26 April 2017 stating that the impugned Supreme Court order would not apply to our Company.

Tax Proceedings

1. Several customs duty and other indirect tax related proceedings are pending against our Company with various authorities. The aggregate amount involved in these matters is approximately Rs. 1,823.20 million. These matters are in relation to: (i) alleged short-payment of customs duty on 73.159 MTs of Acrylonitrile; (ii) alleged wrongful classification of the parts of the dredger imported by our Company and consequent disallowance of the exemption claimed by our Company; (iii) cash-remittance towards education cess against import of steel sole plates by our Company; (iv) alleged wrongful exemption claimed on customs duty on import of second hand equipment on re-export basis; (v) alleged improper use of an education cess; (vi) penalty on our Company for alleged violation of customs rules for non-payment of customs duty on import of aircraft by our Subsidiary Karnavati Aviation Private Limited; (vii) alleged improper use of cenvat credit on excise duty; (viii) alleged improper use of cenvat credit on service tax; (ix) denial of refund of service tax paid on services used for authorised operating in the special economic zone; (x) denial of exemption from payment of central sales tax on sale of second hand motor tug vessel; and (xi) alleged non-payment of cost of the customs officers posted by the Commissioner of Customs under the provisions of the Handling of Cargo in Customs Areas Regulations, 2009. The matters are currently pending.

2. The Commissioner of Customs and Central Excise, Rajkot (the "**Commissioner**") issued two show cause notices to our Company dated 23 October 2009. Notice bearing no. 220/2009 required our Company to show cause as to why service tax aggregating Rs. 652.72 million should not be recovered in respect of certain services including, *inter alia*, "revenue and sharing from MICT", "deferred infrastructure development income" and "vessel priority income". Notice bearing no. 221/2009 required our Company to show cause as to why (i) service tax aggregating Rs. 141.39 million in respect of certain services and (ii) an amount of Rs. 951.51 million under various provisions of the CENVAT Credit Rules, 2004 (the "**Rules**") read with the Finance Act, 1994 should not be recovered along with interest and penalty thereon. By a common order passed on 12 May 2010 in respect of both show cause notices, the Commissioner confirmed service tax liability aggregating to Rs. 239.95 million in respect of certain services specified in the show cause notices, along with levy of interest and penalty. The Commissioner also declared wrongful availment of CENVAT Credit under Rule 14 of the Rules, in respect of certain commodities and under Rule 6(3) read with Rule 14, in respect of "payment of amount equal to 8% of value of exempted service provided to SEZ". The order of the Commissioner was challenged before the Customs Excise and Service Tax Appellate Tribunal (the "**Tribunal**") which by its order dated 28 September 2011 confirmed service tax liability in respect of certain services and confirmed the wrongful availment of CENVAT Credit under Rule 14 of the Rules. With respect to liability under Rule 6(3) of the Rules, the Tribunal upheld the same only with respect to "payment of amount equal to 8% of value of exempted service provided to SEZ" and dropped the others. The total liability imposed on our Company pursuant to the order of the Tribunal is Rs. 92.8 million. Further, the Commissioner has also filed an appeal against the said order before the Supreme Court of India in respect of the demands for which liability has been discharged by the Tribunal. Our Company has filed an appeal before the High Court of Gujarat challenging the imposition of the liability. In another case of denial of Cenvat credit on inputs and input services, the High Court of Gujarat vide order dated 29 April 2015 has allowed an appeal filed by our Company, in relation to our Company's availment of CENVAT Credit, challenging the imposition of the liability and has held that our Company is entitled to avail CENVAT Credit. Though the department filed appeal before the Supreme Court of India challenging the said order of the High Court of Gujarat, no stay has been granted by the Supreme Court of India. Further, by way of the common order dated 15 December 2015, in the case of our Company and its Subsidiary Adani

Dahej, the Ahmedabad Bench of Customs, Excise and Service Tax Appellate Tribunal ("**CESTAT**") passed a favourable decision in the matter related to the alleged wrongful availment of Cenvat credit for the period from April 2004 to September 2011, stating that our Company and its Subsidiary Adani Dahej are eligible for Cenvat credit and that they had rightfully claimed the same. Though the department filed appeal before the High Court of Gujarat challenging the said order of CESTAT, no stay has been granted by the High Court of Gujarat. The matter is currently pending.

3. The Principal Commissioner Service Tax, Ahmedabad issued two demand cum show cause notices dated 27 April 2016 (the "**Notices**") for a total amount of Rs. 472.17 million for the period between April 2014 to September 2014 in relation to the denial of cenvat credit on input services such as civil construction, repairs and maintenance, cargo handling, clearing and forwarding, consulting engineers, and various raw materials such as steel and cement. Our Company filed a reply to the notices on 21 June 2016 and 24 June 2016, respectively. The matter is currently pending.

4. Our Company has outstanding demands and penalties (which are presently pending appeals) amounting to Rs. 593.25 million with the income tax department for Fiscal Years 2009 to 2013 in respect of, *inter alia*, (i) disallowance of certain expenses under section 14A of the Income Tax Act; (ii) deduction of interest and other income under section 80 IAB of the Income Tax Act; and (iii) transfer pricing adjustment for corporate guarantees given to associated enterprises. The Commissioner of Income Tax (Appeals), Ahmedabad by way of orders dated 10 October 2014, 17 October 2014, 13 November 2014 and 1 September 2016 partly allowed the appeals filed by our Company against some of the demands. Our Company had an appeal before the Commissioner of Income Tax (Appeals)-1 Ahmedabad for demand for Fiscal Year 2011 to 2012. Pursuant to the appellate orders, an order giving effect to the appeal has been passed and refunds due to our Company have been partially received. The income tax authorities filed an appeal with the Income Tax Appellate Tribunal with regards to netting off interest income with interest expenditure. Separately, by way of an order dated 1 September 2016, the Income Tax Appellate Tribunal allowed deductions for Fiscal Year 2007 to 2008, which have been made pursuant to Section 80 IAB of the Income Tax Act. However, the income tax department may appeal against this order. These matters are currently pending.

Litigation against Directors

1. There are two outstanding legal proceedings involving Mr. Gautam S. Adani. These relate to (i) a civil dispute filed by Container Corporation of India Limited seeking to restrain defendants named therein, including AEL and Mr. Gautam Adani from proceeding with a cold chain project; and (ii) alleged violation of certain provisions of the Customs Act, 1962 emanating from alleged misuse of an advance licence granted to a third party for import of metallurgical coke and evasion of customs duty in relation thereof. The matters are currently pending.

2. There are certain outstanding legal proceedings involving Mr. Rajesh S. Adani in relation to alleged violations of the Customs Act, 1962, Foreign Exchange Regulations Act, 1973 and FEMA. Such proceedings relate to violations stemming from the import and export of various items by AEL, investment in a wholly-owned subsidiary without prior approval from the RBI and remittance of overseas agency commission. The matters are currently pending.

3. There are certain outstanding legal proceedings involving Mr. G. Raghuram as a director of Arshiya Limited filed under section 138 of the Negotiable Instruments Act, 1818 in relation to alleged non-clearance of cheques. The matters are currently pending.

Litigation against Subsidiaries

Karnavati Aviation

1. Karnavati Aviation (earlier called Gujarat Adani Aviation Private Limited) imported an aircraft at 'Nil' rate of duty under Notification No.21/2002-Cus dated 1 March 2002 as amended by Notification No.61/2007-Cus dated 3 May 2007 (the "**Notification**"). The Commissioner of Customs, Ahmedabad issued a show cause notice dated 27 February 2009 to, *inter alia*, Karnavati Aviation and our Company to show cause why, *inter alia*, customs duty of Rs. 146.7 million along with appropriate penalty and interest, should not be recovered for the alleged misdeclaration before the customs authorities and for contravention of the provisions of the Notification. The Commissioner by way of its order dated 25 November 2009 confirmed the demand of Rs. 146.7 million along with penalty of Rs. 146.7 million and interest of Rs. 60 million. On appeal, the Customs Excise and Service Tax Appellate Tribunal ("CESTAT") by way of its order dated 28 October 2014 on account of conflicting judgments of different benches of CESTAT on the issue referred the matter to the president of CESTAT, to constitute a larger bench to decide the matter which is still pending. The matter is currently pending.

2. The Directorate General of Central Excise Intelligence, Ahmedabad issued a demand cum show cause notice to Karnavati Aviation on 5 January 2011 for alleged non-payment of service tax on domestic journeys undertaken and on provision of certain foreign services on a reverse base mechanism amounting to Rs. 30.38 million. Karnavati Aviation had filed an appeal with the Commissioner of Service Tax and has also received an order dated 13 January 2012. Pursuant to the order, Karnavati Aviation has filed an appeal before CESTAT and the matter is pending.

AKBTPL

1. The Gujarat Pollution Control Board, Gandhinagar, issued a show cause notice dated 13 March 2017 against Adani Kandla Bulk Terminal Private Limited ("**AKBTPL**"), wherein it stated that it had conducted an inspection on 19 December 2016 to verify the statements made by AKBTPL in its application for consent to operate under the Air Act with a view to ascertain AKBTPL's compliances with the conditions specified in the consent order. Based on the inspection, the Gujarat Pollution Control Board observed that heavy dust from vehicle movements was observed near the coal heap yard, smoke was sighted in the coal heap, and that the sprinkler system was not observed to be in operation. Accordingly, it directed AKBTPL to show cause as to why its application should not be rejected and the unit be suspended or closed. AKBTPL filed a reply on 26 May 2017 stating that it has a dedicated dust control system for bowsers and tenders, and housekeeping staff and mechanised equipment for regular cleaning. In addition, AKBTPL stated that it had installed firefighting systems and dust suppression systems along with fire crew, fire hydrant systems and other measures for effective dust control in areas. Lastly, the dust suppression systems and firefighting systems have 57 sprinklers and 29 firefighting water monitors to control smouldering and smoke. To keep these systems ready, they have a dedicated maintenance team to minimise operational turnaround time. AKBTPL has not received any notice for appearance or summons in the present matter.

Adani Murmugao

1. Adani Murmugao received a show cause notice no. 1/25/14-PCB/6376 from Goa State Pollution Control Board ("**GSPCB**") dated 30 December 2014 wherein it attached the inspection report for the inspection carried out in Adani Murmugao on 23 December 2014 and listed out the following observations:

   - Coal stockpiles not kept covered with tarpaulin;
   - Usage of dozers for loading coal causing dust pollution;
   - Sprinklers and dry fogging systems not operational during inspection; and
   - Continuous ambient air quality monitoring system not being installed as required under the Water Act and the Air Act.

   According to the GSPCB, these observations indicates that Adani Murmugao is operating in a manner that amounts to violation of the conditions contained in the consent to operate the coal handling terminal dated 8 January 2014 (the "**Consent**") and has been asked to show cause within seven days as to why the Consent should not be revoked as the operation of the unit by Adani Murmugao is in violation of the Consent and is causing environment pollution in the vicinity. Adani Murmugao has submitted its reply on 5 January 2015. The matter is pending.

Adani Vizag

1. Adani Vizag has received a show cause notice (G1/2365/2012 dated 19 April 2014) from the Office of the District Registrar of Assurance, Registration and Stamps Department, Government of Andhra Pradesh (the "**Notice**"). The Notice has been issued pursuant to the Vigilance and Enforcement Department having identified non-payment of stamp duty of Rs. 167.72 million in connection with an unregistered licence agreement between the board of trustees of Vizag Port and Adani Vizag dated 1 August 2011. In accordance with the Notice, Adani Vizag has been requested to pay the deficit stamp duty or submit any objections or representations in writing. The matter is currently pending.

Adani Dahej

1. Shila Maritime Corp and another filed a special civil application before the High Court of Gujarat seeking the release of a vessel named "MV D SKALKEAS" which was anchored at Dahej port on account of non-payment of port charges and penalty charges owed to Adani Dahej by Shila Maritime Corp. The High Court of Gujarat in its interim order dated 21 December 2015 in the abovementioned appeal directed Shila Maritime Corp and another to deposit the disputed amount of Rs. 13.56 million by way of a demand draft before the Registry of the High Court of Gujarat and only on such deposition shall the abovementioned vessel be released by Adani Dahej. Further, the High Court of Gujarat, subject to its further orders, has permitted Adani Dahej to withdraw the amount of Rs. 13.56 million after submitting a bank guarantee of the same amount to the satisfaction of the Registrar of the High Court of Gujarat. To the satisfaction of the Registrar of the High Court of Gujarat, Adani Dahej has complied with the directions passed in the interim order by furnishing the bank guarantee of Rs. 13.56 million. The matter is currently pending.

2. The Directorate General of Central Excise Intelligence, Ahmedabad issued six demand cum show cause notices to Adani Dahej on 22 November 2010, 6 April 2012, 24 June 2013, 21 April 2015, 11 September 2015 and 8 March 2016. The notices required Adani Dahej to show cause as to why, *inter alia*, the CENVAT credit totaling Rs. 496.5 million availed by Adani Dahej should not be recovered along with appropriate interest under Rule 14 of the CENVAT Credit Rules, 2004. It was alleged that Adani Dahej has contravened the provisions of Rule 6(1) of the Central Excise Rules, 1994 as it has availed of credit on input goods and input services which were used in relation to the construction of Dahej Port (an exempted service) during the period from October 2007 to March 2013, and not in relation to provision of port services. The show cause notices are currently pending at various stages of adjudication. The Ahmedabad Bench of Service Tax Appellate Tribunal, by way of an order dated 15 December 2015 decided that the cenvat credit was rightfully claimed. The matter is currently pending.

3. The Conservation Action Trust and Debi Goenka, as petitioners, filed an appeal before the NGT, Pune, in relation to the environmental clearance and coastal regulation zone clearance ("**Impugned EC**") by the MoEF in relation to the expansion of the project of Adani Dahej at Dahej, Bharuch. The petitioners, *inter alia*, challenged the Impugned EC dated 14 October 2016, received from MoEF on the grounds that the area sought for expansion by Adani Dahej is surrounded by mudflats and that the same is a CRZ 1A (i.e. ecologically sensitive areas) area and therefore, the Impugned EC was granted erroneously. It was also alleged that Adani Dahej had furnished incorrect and misleading information that the mudflats were biologically insensitive and that no disclosure had been made that the project would damage mangroves surrounding the mudflats. Moreover, the petitioners requested that Adani Dahej remedy the damage already caused by its activities and operations. The Company filed a reply dated 11 May 2017, wherein it argued that the petitioners have no *locus standi* and that no public interest is involved. The Company also stated that there is no cause of action as the area has been rightly categorised and there was no objection raised by the petitioners at the time of formulation of the environmental impact assessment report which also discusses the impact of the proposed expansion on the mangroves. The matter is currently pending before the NGT.

Adani Hazira

1. Hazira Machimar Samiti through its office bearers filed an appeal in July 2013 before the NGT at Western Zone, Pune against the Union of India, the state of Gujarat, the GMB, the Gujarat Pollution Control Board, our Company and others challenging the environmental clearance dated 3 May 2013 granted to Adani Hazira for the development of port and related facilities at Hazira and seeking to stay the ongoing construction at the port and to direct the respondents not to carry out any further activity during the pendency of the proceedings. It was stated in the appeal that, due to the construction of Hazira Port, approximately 80 fishermen families having fishing licences will be deprived of their traditional fishing rights. It was also stated that the environmental clearance granted to Hazira Port Private Limited in the year 2003 was valid for a period of five years and, in the absence of an extension or transfer of the said clearance to Adani Hazira, it cannot undertake any activity at Hazira. It was alleged that Adani Hazira began construction before clearance was granted in 2013, in violation of the Environment Impact Assessment Notification dated 14 September 2006 and the Coastal Regulation Zone Notification, 1991. The appeal alleged that some parts of the total area required for port facilities were demarcated as forest land, and the clearance granted was in violation of the office memorandum dated 9 September 2011 issued by the MoEF. The appeal also stated that the environmental impact assessment study undertaken for the area did not record the presence of white-backed vultures and long-billed vultures at the village. The NGT in its order dated 8 January 2016 has

set aside the environmental clearance dated 3 May 2013 and imposed a penalty of Rs. 250 million and costs of Rs. 0.2 million on Adani Hazira. Adani Hazira filed an appeal on 14 January 2016 before the Supreme Court of India challenging the abovementioned order of the NGT, Pune. The Supreme Court of India heard the matter on 28 January 2016 and, as a result of that hearing, the Supreme Court of India through an interim order directed Adani Hazira to pay the penalty of Rs. 250 million and applicable costs. While Adani Hazira has complied with the interim order, the Supreme Court of India has yet to pass a final order and the matter is currently pending.

2. A Special Civil Application has been filed before the High Court of Gujarat at Ahmedabad by Essar Bulk Terminal Limited and another party, as petitioners, challenging the notification dated 18 January 2016 issued by the Department of Ports and Fisheries of the Government of Gujarat, for altering and extending the port limits of Hazira Port (the "**Impugned Notification**") and the subsequent actions of the Gujarat Maritime Board. The petitioners claimed that they had the right to reclaim 350 hectares of mudflat areas pursuant to the no-objection certificate as granted by Gujarat Maritime Board ("**GMB**") dated 14 June 2007. The petitioners alleged that Essar Bulk Terminal Limited had applied for the allotment of 3700 meters of waterfront and 334 hectares for reclamation which was not considered by GMB despite repeated reminders. Adani Hazira by way of a letter dated 21 July 2014 requested GMB for an extension of port limits of Hazira Port owing to navigational issues. The said proposal was amended by way of a letter dated 14 March 2015 and the petitioners alleged that the revised proposal encroached upon the limits of Magdalla Port including the areas where the petitioners were in the process of reclaiming land and developing waterfront. The GMB pursuant to a resolution dated 19 March 2015, approved the proposal dated 14 March 2015. Subsequently, the GMB passed a resolution dated 28 September 2015 amending the resolution dated 19 March 2015, which approved the proposed extension pursuant to the proposal dated 21 July 2014. The petitioners have alleged that owing to a convoluted note, the resolution dated 19 March 2015 was bypassed and the alteration of port limits was suggested in accordance with the revised application which was notified by way of the Impugned Notification. The petitioners have alleged that pursuant to the Impugned Notification, Adani Hazira sought approval of GMB for extension of its berthing facilities in the outer harbour and has submitted a revised DPR which has now been approved by GMB by a resolution dated 31 May 2016 and is challenged by the petitioners by way of a draft amendment to the petition dated 15 June 2016. The petitioners have challenged the Impugned Notification under Article 14 and Article 19(1)(g) of the Constitution of India, alleging that it is arbitrary and in violation of the doctrine of promissory estoppel as well as the doctrine of legitimate expectation. The petitioners have prayed for a writ of mandamus along with a stay on the implementation of the Impugned Notification. The High Court of Gujarat dismissed the petition by way of its order dated 25 April 2017.

3. The Commissioner of Service Tax, Ahmedabad has issued a show cause notice to Adani Hazira on 12 December 2014, 6 April 2016 and 4 April 2017 for the period between October 2010 to March 2016 in relation to the denial of central value added tax credit of steel, cement and other inputs used for the construction of jetty and office building cumulatively amounting to Rs. 189.41 million. Adani Hazira filed replies dated 12 January 2015 and 7 May 2016 against the show cause notices issued on 12 December 2014 and 6 April 2016. Adani Hazira is presently reviewing its reply for onward submission, in respect of the show cause notice dated 4 April 2017.

DPCL

1. Certain environment activists have filed an interim application with the Supreme Court of India against the Union of India and others alleging that the land allotted to Dhamra Port by the

Government of Orissa is forestland. The application also alleges that the port will be harmful to the habitat of Olive Ridley turtles. The Supreme Court of India directed the Central Empowered Committee ("**CEC**") to examine the matter and submit its report. The CEC submitted a report on 18 August 2010. The matter was heard on 19 August 2011 and the applicants filed an objection to the CEC report. The Supreme Court of India directed the MoEF to file a reply to the objections filed by the applicants. DPCL filed its reply on 14 September 2011. The matter was heard before the special bench of Supreme Court of India on 16 September 2011 where the MoEF also filed its reply to the objections raised by the applicants to the CEC report. The Supreme Court of India considered the submissions of all the parties and directed that the matter be listed for final hearing. The matter is currently pending.

2. Mahendra Kumar Mahapatra filed a writ petition (in the nature of public interest litigation) before the Orissa High Court against the State of Orissa, DPCL and certain other companies. The petitioner, *inter alia*, alleged that the illegal construction work and industrial and mining activities being undertaken by DPCL is in gross violation of the Wildlife (Protection) Act, 1972, Environment (Protection) Act, 1986 and orders passed by the Supreme Court in a similar case. The petitioner has requested for *inter alia* a direction that no construction, industrial or mining activity is to be permitted within 10 kilometres of some of the wild-life sanctuaries situated in the Dhamra area and for suspension of environmental clearance granted to all the respondent companies conducting activities in said area. The matter was last listed before the Orissa High Court on 15 November 2012 and is yet to be listed for hearing.

3. The Commissioner of Central Excise, Customs and Service Tax, Bhubaneshwar issued a demand cum show cause notice to DPCL on 8 May 2013 in respect of reverse charge on import of dredging services amounting to Rs. 26.24 million. The matter is currently pending.

4. The Commissioner of Central Excise, Customs and Service Tax, Bhubaneshwar issued a demand cum show cause notice to DPCL on 15 April 2011 in respect of denial of cenvat credit of capital goods and input services for construction of railway line and lighting towers amounting to Rs. 27.03 million. The matter is currently pending.

5. The Additional Commissioner of Central Excise, Customs and Service Tax, Bhubaneshwar issued a demand cum show cause notice to DPCL on 15 April 2011 in respect of denial of cenvat credit of capital goods and input services for construction of railway line and lighting towers amounting to Rs. 3.44 million. The matter is currently pending.

6. The Commissioner (Audit), Central Excise and Service Tax, Bhubaneshwar issued a demand cum show cause notice dated 10 March 2016 for an amount of Rs. 632.91 million for the period between Fiscal Year 2012 to Fiscal Year 2015 in relation to the service tax charged on revenue sharing with East Coast Railway for services provided under the "Support services of Business or Commerce" agreement. DPCL replied to the demand cum show cause notice on 27 May 2016. The matter is currently pending.

7. The Commissioner (Audit), Central Excise and Service Tax, Bhubaneshwar has issued a demand cum show cause notice dated 16 October 2015 for Rs. 29.37 million for the period between April 2010 to March 2014 in relation to denial of cenvat credit on certain services, such as construction, repairs and maintenance, housekeeping and consulting engineers. DPCL filed a reply in relation to the demand cum show cause notice on 31 December 2015. The matter is currently pending.

8. The Commissioner (Audit), Central Excise and Service Tax, Bhubaneshwar issued a demand cum show cause notice dated 26 April 2016 for Rs. 8.90 million in relation to denial of the credit certain services, such as construction, repairs and maintenance and housekeeping for the period between April 2012 to March 2014 The demand raised in this notice is already covered under the demand raised in notice dated 26 October 2015. DPCL has filed reply to the said demand cum show cause notice on 2 June 2016. The matter is currently pending.

9. The Commissioner (Audit), Central Excise and Service Tax, Bhubaneshwar issued a demand sum show cause notice dated 25 August 2016 for Rs. 12.06 million for the period between April 2012 to March 2013 in relation to demand of service tax on reimbursement of fuel charges and de-mobilisation charges paid by DPLC to Chell-chart, under RCM as import of service. On 30 September 2016, DPCL filed a letter seeking a time period of four additional weeks to respond to the demand cum show cause notice. The matter is currently pending.

10. The Assistant Commissioner, Central Excise and Service Tax, Bhubaneshwar-I issued a demand cum show cause notice dated 11 April 2017 for Rs. 4.18 million in relation to denial of the credit for certain services, such as construction, repairs and maintenance and housekeeping for the period between April 2014 to March 2016 . DPCL is presently reviewing its reply for onward submission, in respect of the said show cause notice.

Litigation against Joint Venture Companies

Adani International Container Terminal Pvt Ltd

1. AICTPL has an outstanding tax demand of Rs. 97.37 million for Fiscal Year 2013 with the Income Tax Department which includes a levy of tax on capital receipt by way of short-term capital gains on the high seas sale transaction with our Company. AICTPL has filed an appeal which is pending before Commissioner of Income Tax (Appeals), Ahmedabad.

TERMS AND CONDITIONS OF THE NOTES

The following other than the words in italics is the text of the terms and conditions of the Notes which will appear on the reverse of each of the definitive certificates evidencing the Notes:

*Any redemption of the Notes prior to the Maturity Date (as defined below) may require the Issuer to obtain the prior approval of the Reserve Bank of India or the designated authorised dealer bank, as the case may be, in accordance with the Master Directions on External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers dated 1 January 2016 and the Master Direction on Reporting under Foreign Exchange Management Act, 1999 dated 1 January 2016 (the "**ECB Guidelines**") in effect at the time and such approval may not be forthcoming.*

The issue of the Notes was authorised by a resolution of the Board of Directors of Adani Ports and Special Economic Zone Limited (the "**Issuer**") passed on 24 May 2017 and by a resolution of the shareholders of the Issuer passed on 9 August 2016. The Notes are constituted by a Trust Deed (as amended or supplemented from time to time, the "**Trust Deed**") dated 30 June 2017 (the "**Closing Date**") between the Issuer and The Bank of New York Mellon (the "**Trustee**" which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Notes. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes. Copies of the Trust Deed, and of the Agency Agreement (the "**Agency Agreement**") dated the Closing Date relating to the Notes between the Issuer, the Trustee and the initial principal paying agent, registrars, transfer and paying agents named in it, are available for inspection between 9:30 a.m. and 3:30 p.m., Monday to Friday (except public holidays) at the specified office of the Trustee (presently at 101 Barclay Street, New York, NY 10286, United States of America) and at the specified offices of the principal paying agent for the time being (the "**Principal Paying Agent**"), the registrars for the time being (the "**Registrars**") and the transfer and paying agents for the time being (the "**Transfer Agents**", which expression shall include the Registrars, and "**Paying Agents**", which expression shall include the Principal Paying Agent and together with the Transfer Agents, the "**Agents**"). The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions of the Agency Agreement applicable to them.

All capitalised terms that are not defined in these terms and conditions (the "**Conditions**") will have the meanings given to them in the Trust Deed.

1 Form, Specified Denomination and Title

1.1 **Form and Denomination**: The Notes are issued in registered form in the denomination of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof (referred to as the "**principal amount**" of each Note). A note certificate (each a "**Certificate**") will be issued to each Noteholder in respect of its registered holding of Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders which the Issuer will procure to be kept by the relevant Registrar (the "**Register**"), and, save as provided in Condition 2.1, each Certificate shall represent the entire holding of Notes by the same holder.

1.2 **Title**: Title to the Notes passes only by registration in the Register. The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes

(whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or the theft or loss of the Certificate issued in respect of it) (other than a duly executed transfer thereof in the form endorsed thereon), and no person will be liable for so treating the holder.

In these Conditions, "**Noteholder**" and "**holder**" mean the person in whose name a Note is registered.

Upon issue, the Notes offered outside the U.S. in reliance on Regulation S of the Securities Act will be represented by a Regulation S Global Certificate registered in the name of a nominee for, and deposited with a common depositary for Euroclear and Clearstream, Luxembourg and the Notes offered within the U.S. to qualified institutional buyers in compliance with the exemption from registration provided by Rule 144A of the Securities Act will be represented by a Rule 144A Global Certificate registered in the name of a nominee for, and deposited with a custodian for, DTC.

The Conditions are modified by certain provisions contained in the Regulation S Global Certificate and the Rule 144A Global Certificate. See "Global Certificates".

2 Transfers of Notes

2.1 **Transfer**: Subject to Condition 2.4 and Condition 2.5, a Note may be transferred by depositing the Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the specified office of the relevant Registrar or Transfer Agent.

Transfers of interests in the Notes evidenced by the Global Certificates will be effected in accordance with the rules of the relevant clearing systems.

2.2 **Delivery of New Certificates**: Each new Certificate to be issued pursuant to Condition 2.1 shall, within five business days of receipt by the relevant Registrar or Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the new Certificate to the address specified in the form of transfer unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or Registrar (as the case may be) the costs of such other method of delivery and/or such insurance it may specify. In this Condition 2.2, "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or Registrar (as the case may be).

Except in the limited circumstances described herein, owners of interests in the Notes will not be entitled to receive physical delivery of Certificates. Issues of Certificates upon transfer of Notes are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement.

Where some but not all Notes in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Notes not so transferred will, within five business days of receipt by the relevant Registrar or Transfer Agent of the original Certificate, be mailed by uninsured mail (at the cost of the Issuer) at the risk of the holder of the Notes not so transferred to the address of such holder appearing on the register of Noteholders or as specified in the form of transfer.

2.3 **Formalities free of charge**: Registration of a transfer of Notes will be effected without charge by or on behalf of the Issuer or any Agent but upon payment (or the giving of such indemnity as the Issuer or any Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

2.4 **Closed Periods**: No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for any payment of principal, premium or interest on that Note, (ii) during the period of 15 days prior to (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6.2 or Condition 6.4, or (iii) after any such Note has been called for redemption.

2.5 **Regulations**: All transfers of Notes and entries on the register of Noteholders will be made subject to the detailed regulations concerning a transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the relevant Registrar and the Trustee. A copy of the current regulations will be mailed (at the cost of the Issuer and free of charge to the Noteholder) by the relevant Registrar to any Noteholder who requests one.

3 Status

3.1 The Notes constitute (subject to Condition 4.1) unsecured and unsubordinated obligations of the Issuer and will rank at all times *pari passu* without any preference among themselves and at least *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations of the Issuer but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

4 Negative Pledge and Covenants

4.1 **Negative Pledge**:

4.1.1 So long as any Note remains outstanding, the Issuer shall not create or permit to subsist any Security (as defined below) for the benefit of the holders of any Securities (as defined below) upon the whole or any part of its property or assets, present or future, to secure:

(i) payment of any sum due in respect of any Securities;

(ii) any payment under any guarantee of any Securities; or

(iii) any indemnity or other like obligation in respect of any Securities,

without in any such case at the same time according to the Notes (x) the same Security as is granted to or is outstanding in respect of such Securities or (y) such guarantee, indemnity or other like obligation or such other Security as shall be approved by the holders of the Notes.

4.1.2 So long as any of the Notes remain outstanding, the Issuer will not, and will not permit any of its Subsidiaries to, directly or indirectly, provide any Security for the Indebtedness of any person other than a member of the APSEZ Group.

4.2 **Covenants**:

4.2.1 *Limitation on Transactions with Sponsor Affiliates*

(i) So long as any of the Notes remain outstanding, the Issuer will not, and will not permit any of its Subsidiaries to, directly or indirectly, make any payment to, or enter into, renew or extend any transaction or arrangement with any Sponsor Affiliate (each, an "**Affiliate Transaction**"), unless:

(a) such Affiliate Transaction is in the ordinary course of business; or

(b) such Affiliate Transaction is in the nature of Permitted Business; or

(c) such Affiliate Transaction is otherwise permitted under these Conditions.

4.2.2 *Limitation on Indebtedness*

So long as any of the Notes remain outstanding, the Issuer will not, and will not permit any of its Subsidiaries to, Incur, directly or indirectly, any Indebtedness (including any acquired Indebtedness), unless, after giving effect to the application of the proceeds thereof:

(i) no Default would occur as a consequence of such Incurrence or be continuing following such Incurrence; and

(ii) the Indebtedness to Tangible Net Worth ratio in respect of the APSEZ Group's most recently ended semi-annual or annual period for which consolidated financial statements are available immediately preceding the date on which such Indebtedness is Incurred would not be greater than 3.0 to 1.0.

Notwithstanding the foregoing, this Condition 4.2.2 shall not prohibit:

(a) Indebtedness of the Issuer evidenced by the Notes (other than Notes issued pursuant to Condition 15 (Further Issues);

(b) Indebtedness existing as at the Closing Date and any further Indebtedness Incurred under borrowing limits sanctioned on or prior to the Closing Date;

(c) Indebtedness used to renew, refinance, refund, replace, defease or discharge any Indebtedness properly Incurred under this Condition 4.2.2;

(d) the Incurrence of Indebtedness between or among the Issuer and any of its Subsidiaries; provided, however, that (i) any subsequent issuance or transfer of any equity interests that results in any such Indebtedness being held by a Person other than the Issuer or any of its Subsidiaries and (ii) any sale or other transfer of any such Indebtedness to a Person that is not the Issuer or any of its Subsidiaries will be deemed, in the case of both (i) and (ii) above, to constitute an Incurrence of such Indebtedness by the Issuer or such Subsidiary, as the case may be, that was not permitted by this Condition;

(e) the Incurrence by the Issuer or any of its Subsidiaries of obligations in connection with any swap, option, hedge, forward, futures or similar transactions entered into in the ordinary course of business;

(f) the Incurrence by the Issuer or any of its Subsidiaries of Indebtedness in respect of workers' compensation claims, self-insurance obligations, bankers' acceptances, performance bonds, surety bonds and similar obligations in the ordinary course of business;

(g) the Incurrence by the Issuer or any of its Subsidiaries of Indebtedness arising from the honouring by a bank or other financial institution of a cheque, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is covered within five business days;

(h) Indebtedness of the Issuer or any of its Subsidiaries consisting of (x) the financing of insurance premiums or (y) take-or-pay obligations contained in supply arrangements entered into, in each case, in the ordinary course of business;

(i) Indebtedness Incurred by the Issuer or any of its Subsidiaries constituting reimbursement obligations with respect to letters of credit, trade guarantees, performance bonds, surety bonds or completion or performance guarantees in the ordinary course of business to the extent that such letters of credit, trade guarantees, performance and surety bonds or completion or performance guarantees are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the 60 days following receipt by the Issuer or such Subsidiary, as applicable, of a demand for reimbursement; and

(j) Indebtedness in respect of working capital facilities.

The Indebtedness to Tangible Net Worth ratio shall be calculated and interpreted on a consolidated basis.

The Issuer may, at its option and solely for purposes of the first sentence of this Condition, deem any or all of the Indebtedness sanctioned under any borrowing limit set forth in any definitive agreement to be Incurred as at the date of such agreement and shall not be required to comply with the first sentence of this Condition with respect to any subsequent Incurrence of any such Indebtedness so deemed to be Incurred.

4.2.3 *Limitation on Asset Sales*

So long as any of the Notes remain outstanding, the Issuer will not, and will not permit any of its Subsidiaries to, consummate any Asset Sale, unless:

(i) any adverse impact on Consolidated EBITDA for the two most recent semi-annual periods for which financial statements are available, as adjusted on a pro forma basis for such Asset Sale (when aggregated with all other Asset Sales since the beginning of such two most recent semi-annual periods), is not greater than 10%; and

(ii) no Default would occur as a consequence of such Asset Sale or be continuing following such Asset Sale.

4.2.4 *Permitted Businesses*

The Issuer will not, and will not permit any of its Subsidiaries to, engage in any business other than Permitted Businesses.

4.2.5 *Amendments to Material Agreements*

The Issuer will, and will cause its Subsidiaries to, (i) not amend, vary, repudiate, assign or transfer any concession or sub-concession agreement (the "**Concession Agreements**"), except to the extent that such amendment, variation, repudiation, assignment or transfer would not reasonably be expected to have a Material Adverse Effect; (ii) use reasonable endeavours to ensure that the Concession Agreements remain valid for the concession period and enforceable and that it is not unlawful for the Issuer or its Subsidiaries to perform their obligations thereunder; and (iii) comply with and not take or fail to take any action under any Concession Agreement, except to the extent that such non-compliance, act or failure to act would not reasonably be expected to have a Material Adverse Effect.

4.2.6 *Provision of Financial Information and Reports*

So long as any of the Notes remain outstanding, the Issuer will deliver to the Trustee, upload on its website and furnish to the Noteholders upon request:

(i) as soon as they are available, but in any event within 120 days after the end of each Fiscal Year of the Issuer, copies of its financial statements (on a consolidated basis) in respect of such Fiscal Year (including a statement of income, balance sheet and cash flow statement) audited by the Issuer's statutory auditors;

(ii) as soon as they are available, but in any event within 90 days after the end of the second fiscal quarter of each Fiscal Year of the Issuer, copies of its financial statements (on a consolidated basis) in respect of such half-year period unaudited or limited reviewed by the Issuer's statutory auditors.

4.3 **Definitions**

For the purposes of these Conditions:

(i) "**Affiliate**" means, with respect to any Person, any other Person, directly or indirectly, controlling, controlled by, or under direct or indirect common control with, such Person or who is a director or officer of such Person or any Subsidiary of such Person. For purposes of this definition, "**control**" (including, with correlative meanings, the terms "**controlling**" "**controlled by**" and "**under common control with**"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of share capital, the possession of voting rights, contract or otherwise.

(ii) "**APSEZ Group**" means the Issuer and its Subsidiaries, joint ventures and associates (to the extent of the Issuer's ownership, directly or indirectly) as defined under Ind AS and as would be included for purposes of preparing the Issuer's consolidated financial statements in accordance with Ind AS.

(iii) "**Asset Sale**" means any sale, transfer or other disposition (including by way of merger, consolidation or sale and leaseback transaction) of any of the Issuer's or any of its Subsidiaries' property or assets (including any sale of capital stock of a Subsidiary or issuance of capital stock of a Subsidiary) in one transaction or a series of related transactions by the Issuer or any of its Subsidiaries to any Person other than the Issuer or any other Subsidiary; provided that "Asset Sale" will not include:

(a) the sale, lease or other transfer of accounts receivable, inventory, trading stock and other assets in the ordinary course of business (including the abandonment, sale or other disposition of damaged, worn out or obsolete assets or assets or intellectual property that are, in the reasonable judgement of the Issuer, no longer economically practicable to maintain or useful);

(b) licences, sub-licences, subleases, assignments or other disposition by the Issuer of software or intellectual property in the ordinary course of business;

(c) operating leases of fixed assets in the ordinary course of business;

(d) the sale or other disposition of cash or temporary cash equivalents;

(e) any surrender or waiver of contract rights or settlement, release,

(f) recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(g) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(h) the foreclosure, condemnation or any similar action with respect to any property or other assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(i) any unwinding or termination of any swap, option, hedge, forward, futures or similar transactions;

(j) the disposition of assets of the Issuer which are seized, expropriated or compulsory purchased by or by the order of any central or local government authority;

(k) the disposition of assets to another person whereby the Issuer leases such assets back from such person; and

(l) assets held for sale by the APSEZ Group in the ordinary course of business.

(iv) "**Consolidated EBITDA**" means "Earnings before Interest, Tax, Depreciation and Amortisation" determined on a consolidated basis for the APSEZ Group and based on Ind AS for the relevant period, considering net sales/income from operations, other operating income and other income and deducting operating expenses, employee costs and other/administrative expenses, excluding foreign exchange (gain)/loss (net).

(v) "**Default**" means any event that is, or after notice or passage of time or both would be, an Event of Default.

(vi) "**Distribution**" means dividend, loan, advance or other financial accommodation, payment or other distribution, or redemption, repurchase, retirement or repayment to or for the benefit of any Sponsor Affiliates, excluding reasonable corporate costs and reasonable directors' fees.

(vii) "**EBITDA**" means "Earnings before Interest, Tax, Depreciation and Amortisation" determined for the relevant entity (on a consolidated basis where such entity has subsidiaries) and based on Ind AS for the relevant period, considering net sales/income from operations, other operating income and other income and deducting operating expenses, employee costs and other/administrative expenses, excluding foreign exchange (gain)/loss (net).

(viii) "**Fitch**" means Fitch Inc., a subsidiary of Fimalac, S.A.

(ix) "**Incur**" means, with respect to any Indebtedness, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness. The terms "Incurrence", "Incurred" and "Incurring" have meanings correlative with the foregoing.

(x) "**Ind AS**" means the Indian Accounting Standards as in effect from time to time.

(xi) "**Indebtedness**" means any indebtedness Incurred for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) any amount raised under any other transaction having the commercial effect of a borrowing with a term of more than 360 days and required by Ind AS to be shown as a borrowing in the balance sheet of the Issuer;

(e) shares which are expressed to be redeemable on or before the Maturity Date (for the avoidance of doubt, any non-cumulative redeemable preference shares that mature subsequent to the Maturity Date shall not be considered Indebtedness); and

(f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

but, for the purpose of calculating consolidated Indebtedness in respect of the APSEZ Group, excluding (i) any such obligations to any other member of the APSEZ Group, (ii) any guarantee on which the APSEZ Group has been indemnified by a Person outside of the APSEZ Group which has an effect under Ind AS of removal of this guarantee as contingent liability, (iii) any performance guarantee given to port trusts or other statutory authorities as required in the normal course of business, (iv) any swap, option, hedge, forward, futures or similar transaction and (v) any indebtedness Incurred for or in respect of any working capital facility.

(xii) "**Investment Grade Status**" in respect of any corporate credit rating assigned to the Issuer by Fitch, S&P or Moody's means: (x) "BBB-" or higher by Fitch; (y) "BBB-" or higher by S&P; or (z) "Baa3 or higher by Moody's.

(xiii) "**Material Adverse Effect**" means any action of the Issuer that has:

(a) a material adverse effect on the ability of the Issuer to perform its payment or other material obligations under the Notes due to a change in the APSEZ Group's business, operations, financial condition, assets or cash flow; or

(b) an adverse impact on the legality, validity, binding nature or enforceability of the whole or any material part of the Notes.

(xiv) "**Material Subsidiary**" means any Subsidiary whose EBITDA, as derived from the latest audited or reviewed accounts (consolidated in the case of a Subsidiary which itself has subsidiaries) of such Subsidiary, are at least 10% of the Consolidated EBITDA of the Issuer, as derived from the latest audited or reviewed consolidated accounts of the Issuer, including any such Subsidiary as may be acquired or formed by the Issuer from time to time during the term of the Notes.

(xv) "**Moody's**" means Moody's Investors Service, Inc., a subsidiary of Moody's Corporation.

(xvi) "**Officer's Certificate**" means a certificate signed by an executive officer or a director of the Issuer.

(xvii) "**Permitted Businesses**" means all or any of the businesses conducted or proposed to be conducted as permitted under the Memoranda of Association of the entities in the APSEZ Group.

(xviii) "**Person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

(xix) "**Rating Agency**" means any of S&P, Moody's or Fitch, and any of their successors, as applicable.

(xx) "**Securities**" means bonds, debentures, notes or other similar securities of the Issuer or any other person which both:

(a) are by their terms payable, or confer a right to receive payment, in, or by reference to, any currency other than rupees, or which are denominated in rupees, issued pursuant to the ECB Guidelines of the Reserve Bank of India ("**RBI**") and more than 50% of the aggregate principal amount thereof is initially distributed outside India by or with the authorisation of the Issuer; and

(b) are for the time being quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other similar securities market outside India.

(xxi) "**Security**" means any mortgage, charge, pledge, lien, hypothecation or other form of encumbrance or security interest.

(xxii) "**S&P**" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

(xxiii) "**Sponsor Affiliate**" means Adani Enterprises Limited and any Affiliate of Adani Enterprises Limited; provided, however, that, for the purposes of these Conditions, entities in the APSEZ Group are not Sponsor Affiliates.

(xxiv) "**Subsidiary**" means any company or other business entity of which the first company owns or controls (either directly or indirectly through another or other Subsidiaries) more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or any company or other business entity which at any time has its accounts consolidated with those of the first company, or which under Indian law, regulations or generally accepted accounting principles from time to time, should have its accounts consolidated with those of the relevant company.

(xxv) "**Tangible Net Worth**" means at any time the aggregate of (a) the amounts paid up or credited as paid up on the issued and paid up securities (including ordinary share capital and preference shares) of the Issuer; (b) the amount standing to the credit of the reserves of the APSEZ Group, including any amount credited to the securities premium and reserves account (including ordinary share capital, preference shares, debentures, capital redemption reserves, general reserves and surplus in the statement of profit and loss account); (c) deferred tax liabilities; (d) minority interests, (e) hedge reserves and foreign currency monetary item translation difference account (to the extent deducted) and (f) an amount equal to unearned or deferred infrastructure income under long-term land lease/infrastructure usage agreements and government grants, but deducting:

(a) any debit balance on the consolidated profit and loss account of the APSEZ Group;

(b) (to the extent included) any amount shown in respect of goodwill (including goodwill arising only on consolidation) or other intangible assets of the APSEZ Group, except that goodwill or intangible assets resulting from an acquisition or paid by the APSEZ Group or on account of reclassification due to change in law or change in accounting principles or accounting standards shall not be deducted;

(c) (to the extent included) any amounts arising from an upward revaluation of assets made at any time after 31 March 2017; and

(d) any amount in respect of any dividend declared, recommended or made by any member of the APSEZ Group to the extent payable to a person who is not a member of the APSEZ Group and to the extent such dividend is not provided for in the most recent financial statements prepared in accordance with Ind AS,

and so that no amount shall be included or excluded more than once.

4.4 **Trustee not obliged to monitor**: The Trustee shall not be under any duty to monitor (and will not be responsible for any loss arising from it not doing so) whether the Issuer has complied with the provisions of this Condition 4, and unless it has received a notice in writing from the Issuer in accordance with the Trust Deed to the contrary, the Trustee may assume that the Issuer has complied with the provisions mentioned above. The Trustee shall not be responsible for the contents of the Officer's Certificate, nor shall it be responsible for acting (or refraining from acting) on the Officer's Certificate.

5 **Interest**

5.1 **Interest Rate and Interest Payment Dates**: The Notes bear interest on their outstanding principal amount from and including the Closing Date at the rate of 4.0% per annum, payable semi-annually in arrear on 30 January and 30 July in each year (each an "**Interest Payment Date**"). The first payment (for the period from and including 30 June 2017 to but excluding 30 January 2018) will be made on 30 January 2018.

If any Interest Payment Date falls on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition, "**Business Day**" means in relation to any place a day (other than a Saturday or Sunday) on which commercial banks are open for business in Singapore, New York, Mumbai and, in the case of presentation of a Note Certificate, in the place in which the Note Certificate is presented.

5.2 **Interest Accrual**: Each Note will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Note, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of:

(a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder, and

(b) the day seven days after the Trustee or the Principal Paying Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

5.3 **Calculation of Broken Interest**: If interest is required to be calculated for a period of less than six months, the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

All interest payable on the Notes shall be subject to applicable laws in India, including but not limited to the ECB Guidelines.

6 **Redemption and Purchase**

6.1 **Final Redemption**: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount together with accrued but unpaid interest (if any) in accordance with Condition 5 on 30 July 2027 (the "**Maturity Date**"). The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

6.2 **Redemption for Taxation Reasons**: The Notes may be redeemed at the option of the Issuer in whole, or in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that on the occasion of the next payment due under the Notes the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the relevant Tax Jurisdiction (as defined in Condition 8), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Closing Date and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6.2, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that it is obliged to pay Additional Tax Amounts in accordance with Condition 8 and that such obligation cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above, in which event it shall be conclusive and binding on the Noteholders.

ECB Guidelines, at the time of redemption for taxation reasons, may require the Issuer to obtain the prior approval of the RBI or the designated authorised dealer bank, as the case may be, in accordance with the ECB Guidelines before providing notice for or effecting such a redemption prior to the Maturity Date and such approval may not be forthcoming. See "Risk Factors — Risks related to the Notes — Approval of the RBI or the designated authorised dealer bank, as the case may be, is required for repayment of the Notes prior to maturity, including upon an event of default".

6.3 **Change of Control Put Option**: Upon the occurrence of a Change of Control Triggering Event (as defined below), each Noteholder shall have the right to require that the Issuer redeem such Noteholder's Notes at 101% of their principal amount (together with interest accrued to (but excluding) the date fixed for redemption).

Not later than seven days after becoming aware of any Change of Control Triggering Event, the Issuer will give notice to the Noteholders in accordance with Condition 16 with a copy to the Trustee (the "**Change of Control Offer**") stating:

(i) that a Change of Control Triggering Event has occurred and that each Noteholder has the right to require the Issuer to redeem such Noteholder's Notes at 101% of their principal amount (together with interest accrued to the date fixed for redemption);

(ii) the circumstances and relevant facts regarding such Change of Control;

(iii) the redemption date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is given); and

(iv) the instructions, as determined by the Issuer, consistent with this Condition 6.3, that a Noteholder must follow in order to have its Notes purchased.

None of the Trustee or the Agents shall be required to take any steps to ascertain whether a Change of Control or a Change of Control Offer or any event which could lead to a Change of Control or a Change of Control Offer has occurred or may occur and shall be entitled to assume that no such event has occurred until they have received written notice to the contrary from the Issuer. None of the Trustee or the Agents shall be required to take any steps to ascertain whether the condition for the exercise of the rights of Noteholders in accordance with this Condition 6.3 has occurred. None of the Trustee or the Agents shall be responsible for determining or verifying whether a Note is to be accepted for redemption under this Condition 6.3 and will not be responsible to Noteholders for any loss or liability arising from any failure by it to do so. None of the Trustee or the Agents shall be under any duty to determine, calculate or verify the redemption amount payable under this Condition and will not be responsible to Noteholders for any loss arising from any failure by it to do so.

In this Condition 6.3:

"**Adani Group**" means Mr. Gautam S. Adani, any Person who is related to Mr. Gautam S. Adani by blood or marriage and any combination of those Persons acting together.

a "**Change of Control**" occurs when:

(i) the Adani Group, directly or indirectly, no longer has control of at least 26% of the voting rights of the issued share capital of the Issuer;

(i) any other Person (acting alone or in concert with any other parties, but other than a Person controlled by the Adani Group) controls, directly or indirectly, a greater percentage of the voting rights of the issued share capital of the Issuer or has the right to appoint and/or remove all or the majority of the members of the Issuer's Board of Directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise; or

(iii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer's assets to any other Person (other than a Person controlled by the Adani Group), unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring control over the Issuer or the successor entity.

"**Change of Control Triggering Event**" means the occurrence of a Change of Control; provided, however, it shall not constitute a Change of Control Triggering Event unless and until a Rating Downgrade due to such Change of Control shall also have occurred.

"**Rating Category**" means: (i) with respect to S&P, any of the following categories: "BB", "B", "CCC", "CC", "C" and "D" (or equivalent successor categories); (ii) with respect to Moody's, any of the following categories: "Ba", "B", "Caa", "Ca", "C" and "D" (or equivalent successor categories); (iii) with respect to Fitch, any of the following categories; "BB", "B", "CCC", "CC", "C", and "D" (or equivalent successor categories) and (iv) the equivalent of any such category of S&P, Moody's and Fitch used by another Rating Agency. In determining whether the rating of the Issuer has decreased by one or more gradations, gradations within Rating Categories ("+" and "-" for S&P and Fitch; "1", "2" and "3" for Moody's; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P and Fitch, a decline in a rating from "BB+" to "BB", as well as from "BB-" to "B+" will constitute a decrease of one gradation).

"**Rating Date**" means, in connection with a Change of Control Triggering Event, that date which is 30 days prior to the earlier of (a) a Change of Control, (b) the initial public notice of the occurrence of a Change of Control by the Issuer, and (c) the date that the acquirer or prospective acquirer (i) has entered into one or more binding agreements with the Issuer and/or shareholders of the Issuer that would give rise to a Change of Control or (ii) has commenced an offer to acquire outstanding capital stock of the Issuer.

"**Rating Downgrade**" means in connection with a Change of Control Triggering Event, the occurrence on, or within 60 days after, the earlier of (A) the date a Change of Control occurs, or (B) public notice of the occurrence of, (1) a Change of Control or (2) the intention by the Issuer or any other person or persons to effect a Change of Control (which period shall be extended so long as the corporate credit rating of the Issuer is under publicly announced consideration for possible change by any of the Rating Agencies due to such Change of Control) of any of the events listed below:

(i) in the event the Issuer is rated by three Rating Agencies on the Rating Date as having Investment Grade Status, the rating of the Issuer by any two Rating Agencies shall be withdrawn or downgraded to below Investment Grade Status;

(ii) in the event the Issuer is rated by one or two Rating Agencies on the Rating Date as having Investment Grade Status, the rating of the Issuer by any such Rating Agency shall be withdrawn or downgraded to below Investment Grade Status; or

(iii) in the event the Issuer is not rated Investment Grade Status by any Rating Agencies on the Rating Date, the rating of the Issuer by any Rating Agency shall be withdrawn or decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

ECB Guidelines may require the Issuer to obtain the prior approval of the RBI or the designated authorised dealer bank, as the case may be, in accordance with the ECB Guidelines before effecting a redemption of the Notes prior to the Maturity Date and such approval may not be forthcoming. See "Risk Factors — Risks related to the Notes — Approval of the RBI or the designated authorised dealer bank, as the case may be, is required for repayment of the Notes prior to maturity, including upon an event of default".

6.4 **Redemption at the Option of the Issuer**: The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' written notice to the Noteholders and the Trustee, at their principal amount *plus* the Applicable Premium applicable to the Notes (together with interest accrued to (but excluding) the date fixed for redemption). No Applicable Premium applies if the Notes are redeemed within 30 days of the final maturity date. For the avoidance of doubt, none of the Agents or the Trustee have any responsibility with respect to the calculation of the Applicable Premium.

"**Adjusted Treasury Rate**" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"**Applicable Premium**" means, with respect to a Note on any redemption date, the excess of (A) the present value on such redemption date of 100% of the principal amount of such Note, *plus* all required remaining scheduled interest payments due on such Note through the stated maturity of the Note (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate plus 50 basis points, over (B) the principal amount of such Note.

"**Comparable Treasury Issue**" means any United States Treasury security having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes.

"**Comparable Treasury Price**" means, with respect to any redemption date: (1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the fifth Business Day (as defined in Condition 5.1) preceding such redemption date, as set forth in the Federal Reserve Statistical Release H.15 (519) (or, if such Statistical Release is no longer published, any publicly available source of similar market data); or (2) if such release (or any successor release) is not published or does not contain such prices on such Business Day, (a) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (b) if fewer than three such Reference Treasury Dealer Quotations are available, the average of all such quotations.

"**Reference Treasury Dealer**" means each of any three investment banks of recognised standing that is a primary United States Government securities dealer in The City of New York, selected by the Issuer in good faith.

"**Reference Treasury Dealer Quotations**" means, with respect to each Reference Treasury Dealer and any redemption date, the average as determined by the Issuer or any of its agents of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer or such agent by such Reference Treasury Dealer at 5:00 p.m. on the fifth Business Day (as defined in Condition 5.1) preceding such redemption date.

ECB Guidelines may require the Issuer to obtain the prior approval of the RBI or the designated authorised dealer bank, as the case may be, in accordance with the ECB

Guidelines before effecting a redemption of the Notes prior to the Maturity Date and such approval may not be forthcoming. See "Risk Factors — Risks related to the Notes — Approval of the RBI or the designated authorised dealer bank, as the case may be, is required for repayment of the Notes prior to maturity, including upon an event of default".

6.5 **Purchase**: The Issuer and its Subsidiaries may at any time (if permitted under applicable laws) purchase Notes in the open market or otherwise at any price. The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 12.1.

6.6 **Cancellation**: All Certificates representing Notes purchased by or on behalf of the Issuer shall be surrendered for cancellation to the relevant Registrar and, upon surrender thereof, all such Notes shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7 **Payments**

7.1 **Method of Payment**:

(i) Payments of principal and premium (if any) shall be made (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or Registrar if no further payment falls to be made in respect of the Notes represented by such Certificates) by transfer to the registered account of the Noteholder.

(ii) Interest on each Note shall be paid to the person shown on the Register at the close of business 15 days before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Note shall be made in U.S. Dollars by credit or transfer to the registered account of the holder (or to the first named of joint holders) of such Note appearing in the Register.

(iii) For the purposes of this Condition, a Noteholder's "**registered account**" means the U.S. Dollar account maintained by or on behalf of it with a bank in New York City, details of which appear on the Register at the close of business on the Payment Business Day before the due date for payment.

(iv) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the relevant Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Noteholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.

7.2 **Payments subject to Fiscal Laws**: All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Noteholders in respect of such payments.

7.3 **Payment Initiation**: Where payment is to be made by transfer to a registered account, payment instructions (for value the due date, or if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated and, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or Registrar, on a Payment Business Day on which the Principal Paying Agent is open for business and on which the relevant Certificate is surrendered.

7.4 **Appointment of Agents**: The Principal Paying Agent, the Registrar, and the Transfer Agents initially appointed by the Issuer and their respective specified offices are listed below. The Principal Paying Agent, the Registrar, and the Transfer Agents act solely as agents of the Issuer or, as the case may be, the Trustee, and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent, the Registrar, or any Transfer Agent and to appoint additional or other Transfer Agents, subject to the terms of the Agency Agreement, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar with a specified office outside the United Kingdom, (iii) a Transfer Agent, and (iv) such other agents as may be required by any other stock exchange on which the Notes may be listed, in each case, as approved by the Trustee.

Principal Paying Agent,

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

Registrar and Transfer Agent (in respect of Notes clearing through Euroclear and Clearstream, Luxembourg)

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building — Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

Registrar and Transfer Agent (in respect of Notes clearing through DTC)

The Bank of New York Mellon
101 Barclay Street
21st Floor West
New York, NY 10286 USA

Paying Agent (in respect of Notes clearing through DTC)

The Bank of New York Mellon
101 Barclay Street
21st Floor West
New York, NY 10286 USA

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 16.

So long as the Notes are listed on the SGX-ST and the rules of that exchange so require, in the event that a Global Certificate is exchanged for definitive Certificates, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. In addition, in the event that a Global Certificate is exchanged for definitive Certificates, announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Certificates, including details of the Singapore agent.

7.5 **Delay in Payment**: Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Note if the due date is not a Payment Business Day, or if the Noteholder is late in surrendering or cannot surrender its Certificate (if required to do so) or if a transfer is made in accordance with this Condition 7 it arrives after the due date for payment.

7.6 **Payment Business Days**: In this Condition 7, "**Payment Business Day**" means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business and settlement of U.S. Dollars payments in New York City and (if surrender of the relevant Certificate is required) the relevant place of presentation.

8 **Taxation**

All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Republic of India or any authority therein or thereof having power to tax (each a "**Tax Jurisdiction**"), unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts ("**Additional Tax Amounts**") as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required by a Tax Jurisdiction, except that no Additional Tax Amounts shall be payable in respect of any Note:

8.1 **Other connection**: to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the relevant Tax Jurisdiction, other than the mere holding of the Note;

8.2 **Failure to provide certification**: to the extent a holder is liable for such taxes, duties, assessments or governmental charges because of the holder's failure to comply with any certification, identification or other reporting requirements concerning its nationality, residence, identity or connection with a relevant Tax Jurisdiction if (1) compliance is required by applicable law (but not including treaties), regulation or administrative practice as a precondition to exemption from all or a part of such taxes, duties, assessments or governmental charges, (2) the holder is able to comply with those requirements without undue hardship and (3) the Issuer has given to the holder prior written notice, at a time which would enable the holder acting reasonably to comply with such request, before any such withholding or deduction that the holder will be required to comply with such certification, identification or reporting requirements; or

8.3 **Surrender more than 30 days after the Relevant Date**: in respect of which the Certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Tax Amounts on surrendering the Certificate representing such Note for payment on the last day of such period of 30 days.

8.4 "**Relevant Date**" in respect of any Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further surrender of the Certificate representing such Note being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

Notwithstanding the foregoing, no Additional Tax Amounts shall be payable for or on account of (i) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge, (ii) any taxes, duties, assessments or governmental charges that are imposed otherwise than by deduction or withholding from payments made under or with respect to the Notes, (iii) any taxes, duties, assessments or governmental charges that are imposed on or with respect to any payment on a Note to a holder who is a fiduciary, partnership, limited liability company, or person other than the Beneficial Owner of such payment to the extent that the Beneficial Owner with respect to such payment (or portion thereof) would not have been entitled to the Additional Tax Amounts had the payment (or the relevant portion thereof) been made directly to such Beneficial Owner and (iv) any tax, assessment, withholding or deduction required by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("**FATCA**"), any current or future U.S. Treasury Regulations or rulings promulgated thereunder, any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, or any agreement with the U.S. Internal Revenue Service under FATCA. As used in clause (iii) above, "**Beneficial Owner**" means the person whom is required by the laws of the relevant Tax Jurisdiction to include the payment in income for tax purposes.

Any payments made by the Issuer are required to be within the all-in-cost ceilings prescribed under the ECB Guidelines and in accordance with any specific approvals from the RBI or the designated authorised dealer bank, as the case may be, obtained by the Issuer in this regard.

9 **Events of Default**

If any of the following events ("**Events of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (provided that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest:

9.1 **Non-Payment**: the Issuer fails to pay the principal of or premium (if any) or interest on any of the Notes when due unless (a) such failure to pay is caused by administrative or technical error; and (b) payment is made within seven days of its due date in the case of principal and within fourteen days of its due date in the case of interest;

9.2 **Breach of Other Obligations**: the Issuer does not perform or comply with any one or more of its other obligations under the Notes or the Trust Deed which default has a Material Adverse Effect and is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been given to the Issuer by the Trustee;

9.3 **Cross-Acceleration**: (i) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries for or in respect of moneys borrowed or raised (A) becomes due and payable prior to its stated maturity by reason of any event of default, and such acceleration shall not be rescinded or annulled (by reason of a remedy, cure or waiver thereof with respect to the event of default upon which such acceleration is based) within 21 days after such acceleration, or (B) is not paid when due or, as the case may be, within any originally applicable grace period or (ii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised; provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9.3 have occurred equals or exceeds U.S.$100 million or its equivalent;

9.4 **Enforcement Proceedings**: a distress, attachment or execution is levied, enforced or sued out on or against the Issuer or any of its Material Subsidiaries and is not discharged or stayed within 60 days;

9.5 **Security Enforced**: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Material Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person) and such step is not stayed within 60 days;

9.6 **Insolvency**: the Issuer or any of its Material Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Material Subsidiaries;

9.7 **Winding-up**: an order is made and is not discharged or stayed within 60 days or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Material Subsidiaries, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of such Material Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries;

9.8 **Nationalisation**: the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or any of its Material Subsidiaries;

9.9 **Illegality**: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes or the Trust Deed; and

9.10 **Analogous Events**: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in Conditions 9.6, 9.7 and 9.8.

ECB Guidelines may require the Issuer to obtain the prior approval of the RBI or the designated authorised dealer bank, as the case may be, in accordance with the ECB Guidelines before effecting a redemption of the Notes prior to the Maturity Date and such approval may not be forthcoming. See "Risk Factors — Risks Related to the Notes — Approval of the RBI or the designated authorised dealer bank, as the case may be, is required for repayment of the Notes prior to maturity, including upon an event of default".

10 Prescription

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within seven years (in the case of principal and premium, if any) or five years (in the case of interest) from the appropriate Relevant Date in respect of them. Neither the Trustee nor the Agent shall be responsible for any amounts so prescribed.

11 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the relevant Registrar or such other Transfer Agent as may from time to time be designated by the Registrar for that purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 Meetings of Noteholders, Modification, Waiver and Substitution

12.1 **Meetings of Noteholders**: The Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 25% in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing 66-2/3% in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount of any premium payable on redemption of, or interest on, the Notes, (iii) to change the currency of payment of the Notes or (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 66-2/3%, or at any adjourned meeting not less than 33-1/3%, in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90% in principal amount of the Notes outstanding, and who are for the time being entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed, shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

12.2 **Modification of the Trust Deed**: The Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed, that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions or any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and such modification shall be notified to the Noteholders as soon as practicable.

12.3 **Substitution**: The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders, to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes; provided, however, that immediately after such substitution, the Issuer must deliver to the Trustee an opinion of counsel of recognised standing with respect to U.S. federal income tax matters that the beneficial owners of the Notes will not recognise gain or loss for U.S. federal income tax purposes as a result of such substitution and will be subject to the same U.S. federal income tax consequences as if such substitution did not occur.

12.4 **Entitlement of the Trustee**: In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, except to the extent provided for in Condition 8 and/or any undertaking given in addition thereto or in substitution therefor pursuant to the Trust Deed.

13 **Enforcement**

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Notes, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in principal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14 **Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability to Noteholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders. The Trustee shall not be responsible for any loss occasioned by acting on or refraining from acting on such report, confirmation or certificate or advice.

Repatriation of proceeds outside India by the Issuer under an indemnity clause requires the prior approval of the RBI, in accordance with the extant applicable laws and regulations of India, including the rules and regulations framed under the Foreign Exchange Management Act, 1999.

15 **Further Issues**

The Issuer may from time to time without the consent of the Noteholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding Notes or upon such terms as the Issuer may determine at the time of their issue; provided, however, that the Issuer may not consolidate such further securities as a single series with the outstanding Notes unless such securities are fungible with the outstanding Notes for U.S. federal income tax purposes. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

16 **Notices**

Notices to Noteholders will be valid if published in a leading newspaper having general circulation in Asia (which is expected to be the Straits Times) or, if such publication shall not be practicable, in an English language newspaper of general circulation in Europe or Asia. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.

For an explanation regarding notices while the Notes are represented by Global Certificates, see "Summary of Provisions Relating to the Notes While in Global Form."

17 **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but it does not affect any right or remedy of any person which exists or is available apart from that Act.

18 Governing Law and Jurisdiction

18.1 **Governing Law**: The Trust Deed, the Agency Agreement and the Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

18.2 **Jurisdiction**: The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Notes and, accordingly, any legal action or proceedings arising out of or in connection with any Notes ("Proceedings") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the exclusive jurisdiction of such courts.

18.3 **Agent for Service of Process**: The Issuer has irrevocably appointed in the Trust Deed an agent in England to receive service of process in any Proceedings in England based on any of the Notes.

GLOBAL CERTIFICATES

Each Global Certificate contains provisions which apply to the Notes in respect of which it is issued while they are represented by the relevant Global Certificate, some of which modify the effect of the Conditions set out in this Offering Circular. The following is a summary of those provisions. Unless otherwise defined, terms defined in the Conditions have the same meaning below.

Form of the Notes

The Notes sold in offshore transactions in reliance on Regulation S (the "**Regulation S Notes**") will be represented by the global Regulation S certificate in fully registered form (the "**Regulation S Global Certificate**"). The Regulation S Global Certificate will be registered in the name of the nominee for, and will be deposited on or about the Closing Date with a common depositary for Euroclear and Clearstream, Luxembourg. See "*Clearance and Settlement — Payments and Relationship of Participants with Clearing Systems*". The Notes sold within the United States to QIBs in reliance on Rule 144A (the "**Rule 144A Notes**") will be represented by the global Rule 144A certificate in fully registered form (the "**Rule 144A Global Certificate**"), which will be deposited with a custodian for, and will be registered in the name of a nominee for, DTC. Beneficial interests in the Rule 144A Global Certificate may only be held through DTC and its direct or indirect participants including Euroclear and Clearstream, Luxembourg at any time. See "*Clearance and Settlement — Payments and Relationship of Participants with Clearing Systems*". Subject to certain exceptions, beneficial interests in the Rule 144A Global Certificate may only be held by persons who are QIBs, holding their interests for their own account or for the account of one or more QIBs. By acquisition of a beneficial interest in the Rule 144A Global Certificate, the purchaser thereof will be deemed to represent, among other things, that it is a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Rule 144A Global Certificate. See "*Transfer Restrictions*".

The Regulation S Global Certificate and the Rule 144A Global Certificate are referred to herein as the "**Global Certificates**". Beneficial interests in the Global Certificates will be limited to persons that have accounts with Euroclear, Clearstream, Luxembourg or DTC or persons that may hold interests through such participants. Beneficial interests in the Global Certificates will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear, Clearstream, Luxembourg, DTC or their respective nominees (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants). Beneficial interests in the Global Certificates will be subject to certain restrictions on transfer set out therein and in the Agency Agreement and such Global Certificates will bear a legend as set out under "*Transfer Restrictions*".

So long as the Notes are held in global form, Euroclear, Clearstream, Luxembourg and/or DTC (as applicable) or their respective nominees will be considered the sole holders of Global Certificates for all purposes under the Trust Deed. As such, participants must rely on the procedures of Euroclear, Clearstream, Luxembourg and/or DTC (as applicable) and indirect participants must rely on the procedures of Euroclear, Clearstream, Luxembourg and/or DTC (as applicable) and the participants through which they own beneficial interests in the Global Certificates in order to exercise any rights of holders under the Trust Deed.

No beneficial interest in the Regulation S Global Certificate may be transferred to a person who takes delivery in the form of a beneficial interest in the Rule 144A Global Certificate unless (i) the transfer is to a person that is a QIB, (ii) such transfer is made in reliance on Rule 144A, and (iii) the transferor

provides the relevant Registrar with a written certification substantially in the form set out in the Agency Agreement to the effect that the transferor reasonably believes that the transferee is a QIB purchasing the beneficial interest for its own account or any account of a QIB in a transaction meeting the requirements of Rule 144A and that such transaction is in accordance with any applicable securities laws of any state of the United States. No beneficial interest in the Rule 144A Global Certificate may be transferred to a person who takes delivery in the form of a beneficial interest in the Regulation S Global Certificate unless (a) the transfer is in an offshore transaction in reliance on Rule 904 of Regulation S, and (b) the transferor provides the relevant Registrar with a written certification substantially in the form set out in the Agency Agreement to the effect that the transfer is being made in an offshore transaction in accordance with Regulation S.

Any beneficial interest in the Regulation S Global Certificate that is transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Certificate will, upon transfer, cease to be an interest in the Regulation S Global Certificate and become an interest in the Rule 144A Global Certificate, and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the Rule 144A Global Certificate for as long as it remains such an interest. Any beneficial interest in the Rule 144A Global Certificate that is transferred to a person who takes delivery in the form of an interest in the Regulation S Global Certificate will, upon transfer, cease to be an interest in the Rule 144A Global Certificate and become an interest in the Regulation S Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the Regulation S Global Certificate for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Notes, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Upon receipt of the Global Certificates, Euroclear, Clearstream, Luxembourg and/or DTC, as applicable, (or their respective nominees) will credit, on its internal system, the respective face amount of the individual beneficial interests represented by each such Global Certificate to the accounts of persons who have accounts with Euroclear, Clearstream, Luxembourg and/or DTC, or persons that may hold interests through such participants.

Except in the limited circumstances described below, owners of beneficial interests in Global Certificates will not be entitled to receive physical delivery of certificated Notes.

Holders

For all purposes, each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or DTC (or any Alternative Clearing System (as defined below)) as the holder of a particular principal amount of Notes in respect of which the Global Certificates have been issued (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or DTC or any Alternative Clearing System (as defined below) as to the principal amount of Notes represented by Global Certificates standing to the account of any person shall be conclusive and binding for all purposes) shall be recognised as the holder of such principal amounts of Notes (and the expressions "**Noteholders**", "**holding of Notes**" and "**holders of Notes**" shall be construed accordingly).

Cancellation

Cancellation of any Note represented by a Global Certificate will be effected by reduction in the aggregate face amount of the Notes in the Register and by annotation of the appropriate schedule to that Global Certificate.

Payments

Payments of any amounts payable in respect of Notes represented by a Global Certificate will be made without presentation or if no further payment falls to be made in respect of the Notes, against presentation and surrender of the relevant Global Certificate to or to the order of the Principal Paying Agent or to the order of such other Paying Agent as shall have been notified to the Noteholders for such purpose.

Each payment will be made to, or to the order of, the person whose name is entered in the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January and any day on which banks are required or permitted to be closed in the city of New York.

Redemption at the Option of the Issuer

The options provided for in Conditions 6.2 and 6.4 shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by Conditions 6.2, 6.4 and Condition 16.

Noteholders' Put Option

The Noteholders' put option provided for in Condition 6.3 may be exercised by the holder of the relevant Global Certificate giving notice of the principal amount of Notes in respect of which the put option is exercised in accordance with Condition 6.3.

Notices

So long as the Notes are represented by either or both of the Global Certificates and each Global Certificate is held on behalf of Euroclear, Clearstream, Luxembourg or DTC or any Alternative Clearing System, notices to Noteholders may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg or DTC or such Alternative Clearing System for communication to entitled account holders in substitution for notification as required by the Conditions except that, so long as the Notes are listed on any stock exchange, notices shall also be published in accordance with the rules of such stock exchange. Any such notice shall be deemed to have been given to the Noteholders on the day after the day on which such notice is delivered to the relevant clearing systems.

Meetings

The registered holder of the Global Certificates will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each U.S.$1,000 in principal amount of Notes for which the Global Certificates are issued.

Transfers

Transfers of book-entry interests in the Notes will be effected through the records of Euroclear, Clearstream, Luxembourg or DTC (or any Alternative Clearing System) and their respective direct and indirect participants in accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg or DTC (or any Alternative Clearing System) and their respective direct and indirect participants.

Exchange for Definitive Certificates

Exchange

Registration of title to Notes initially represented by the Rule 144A Global Certificate in a name other than DTC will not be permitted in respect of the Notes unless DTC or an additional or alternative clearing system approved by the Issuer and notified to the Trustee and the Principal Paying Agent and, as applicable, the relevant Registrar (an "**Alternative Clearing System**") on behalf of which the Notes evidenced by the Rule 144A Global Certificate may be held, notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Notes, or ceases to be a clearing agency registered under the Exchange Act, or is at any time no longer eligible to act as such and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC (or, in the case of an Alternative Clearing System, such system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so).

Registration of title to Notes initially represented by the Regulation S Global Certificate in a name other than the common depositary will not be permitted in respect of the Notes unless Euroclear and Clearstream, Luxembourg (or any Alternative Clearing System on behalf of which the Notes evidenced by the Regulation S Global Certificate may be held) notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Notes and the Issuer is unable to locate a qualified successor within 90 days of receiving such notice (or, in the case of an Alternative Clearing System, such system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so).

Delivery

If any of the events described in the above two paragraphs under the caption "Exchange" of this section occurs, the relevant Global Certificate shall be exchangeable in full for definitive Certificates in registered form and the Issuer will, at its own expense, cause sufficient definitive Certificates to be executed and delivered to the relevant Registrar for completion, authentication and dispatch to the relevant Noteholders following surrender of such Global Certificate. A person having an interest in the Rule 144A Global Certificate or the Regulation S Global Certificate must provide the relevant Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such definitive Certificates and (b) in the case of the Rule 144A Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions.

Definitive Notes issued in exchange for a beneficial interest in the Rule 144A Global Certificate shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under "*Transfer Restrictions*".

The relevant Registrar will not register the transfer of, or exchange of interests in, the Rule 144A Global Certificate or the Regulation S Global Certificate for definitive Certificates for a period of 15 calendar days ending on the date for any payment of principal in respect of the Notes.

TAXATION

The information provided below does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. In particular, the information does not consider any specific facts of circumstances that may apply to a particular purchaser. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws applicable in India and each country of which they are residents or countries of purchase, holding or disposition of the Notes. Additionally, in view of the number of jurisdictions where local laws may apply, this Offering Circular does not discuss the local tax consequences to a potential holder, purchaser and seller arising from the acquisition, holding or disposition of the Notes. Prospective investors must therefore inform themselves as to any tax, exchange control legislation or other laws and regulations in force relating to the subscription, holding or disposition of Notes at their place of ordinance, and the countries of which they are citizens or countries of purchase, holding or disposition of Notes.

Indian Taxation

The following is a summary of the existing principal Indian tax consequences for non-resident investors subscribing to the Notes issued by our Company. The summary is based on existing Indian taxation law and practice in force at the date of this Offering Circular and is subject to change, possibly with retroactive effect. The summary does not constitute legal or tax advice and is not intended to represent a complete analysis of the tax consequences under Indian law of the acquisition, ownership or disposal of the Notes. Prospective investors should, therefore, consult their own tax advisers regarding the Indian tax consequences, as well as the tax consequences under any other applicable taxing jurisdiction, of acquiring, owning and disposing of the Notes.

Payments through India

Any payments our Company makes on the Notes, including additional amounts, made through India would be subject to the regulations of RBI.

Taxation of Interest

Interest on the Notes may not be subject to taxes in India if the proceeds of the issuance of the Notes are used for the purposes of business carried on by our Company outside India. Should, however, the proceeds be used for the purposes of the business of our Company in India, the non-resident investors would be liable to pay tax on the interest paid on the Notes. The rate of tax in accordance with the Income Tax Act is 5.0% (*plus* applicable surcharge, education cess and secondary and higher education cess), for any long-term bond, including infrastructure bond, issued any time between 1 October 2014 and 30 June 2020, in accordance with the provisions of Section 115A read with Section 194LC of the Income Tax Act.

The rates of tax will stand reduced if the beneficial recipient is a resident of a country with which the Government has entered into an agreement for granting relief of tax or for avoidance of double taxation (a "**Tax Treaty**") and the provisions of such treaty, which provide for the taxation in India of income by way of interest at a rate lower than that stated above, are fulfilled. The interest payable will be subject to withholding taxes in India, subject to conditions as detailed in section titled "*Withholding Tax*" below.

A non-resident investor would be obligated to pay such income tax in an amount equal to, or would be entitled to a refund of, as the case may be, any difference between amounts withheld in respect of interest paid on the Notes through India and its ultimate Indian tax liability for such interest, subject to and in accordance with the provisions of the Income Tax Act. The non-resident Noteholders shall be obliged to provide all necessary information and documents, as may be required by our Company.

Withholding Tax

Since the interest payable on the Notes is subject to taxation in India, there is a requirement to withhold tax at the applicable rate i.e. at 5.0% (*plus* applicable surcharge, education cess and secondary and higher education cess), subject to any lower rate of tax provided by an applicable Tax Treaty. The requirement under the Income Tax Act in accordance with section 206AA to provide the payee's permanent account number to the payer is not applicable in respect of interest income on long-term bonds to non-residents, which includes the Noteholders under the Notes.

Pursuant to the Terms and Conditions of the Notes, all payments of, or in respect of, principal and interest on the Notes, will be made free and clear of and without withholding or deduction on account of any present or future taxes within India unless it is required by law, in which case, pursuant to Condition 8, our Company will pay additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction, subject to certain exceptions.

With respect to interest on the Notes that is not subject to taxes in India (where the proceeds of the issuance of the Notes are used for the purposes of business carried on by our Company outside India or otherwise), our Company may be required to apply annually for an exemption from withholding tax under section 195(2) of the Income Tax Act.

Taxation of Gains Arising on Disposition

Any gains arising to a non-resident investor from disposition of the Notes held (or deemed to be held) as a capital asset will generally be chargeable to income tax in India if the Notes are regarded as property situated in India. A non-resident investor generally will not be chargeable to income tax in India from a disposition of the Notes held as a capital asset provided the Notes are regarded as being situated outside India. The issue as to where the Notes should properly be regarded as being situated is not free from doubt. The ultimate decision, however, will depend on the view taken by Indian tax authorities on the position with respect to the situs of the rights being offered in respect of the Notes. There is a possibility that the Indian tax authorities may treat the Notes as being located in India as our Company is incorporated in and resident in India.

If the Notes are regarded as situated in India by the Indian tax authorities, upon disposition of a Note:

(i) a non-resident investor, who has held the Notes for a period of more than 36 months (long-term capital asset) immediately preceding the date of their disposal, would be liable to pay capital gains tax at the rate of 10.0% of the capital gains (*plus* applicable surcharge, education cess and secondary and higher education cess) in accordance with the provisions of the Income Tax Act. These rates are subject to any lower rate provided for by an applicable Tax Treaty;

(ii) a non-resident investor who has held the Notes for 36 months or less would be liable to pay capital gains tax at a rate of 30% or 40.0% of capital gains (*plus* applicable surcharge, education cess and secondary and higher education cess), depending on the legal status of the non-resident investor (i.e. company, individual, trust, etc.), and his taxable income in India, subject to any lower rate provided for by an applicable Tax Treaty; and

(iii) any income arising to a non-resident investor from the transfer of the Notes held as stock-in-trade would be considered as business income. Business income would be subject to income tax in India only to the extent, it is attributable to a "business connection in India" or, in case where a Tax Treaty is applicable, to a "permanent establishment" of the non-resident investor in India. A non-resident investor would be liable to pay Indian tax on such income at a rate of up to 40.0% (*plus* applicable surcharge, education cess and secondary and higher education cess), depending on the legal status of the non-resident investor and his taxable income in India, subject to any lower rate provided for by a Tax Treaty.

If applicable, under the tax law, tax shall be withheld by the person making any payment to a non-resident on long-term capital gains at 10% (plus applicable surcharge, education cess and secondary and higher education cess) and short-term capital gains at 30% or 40% (*plus* applicable surcharge, education cess and secondary and higher education cess), depending on the legal status of the recipient of income, subject to any lower rate provided for by a Tax Treaty. Tax payable shall be computed in such manner as prescribed in this regard under the Income Tax Act. For the purpose of tax withholding, the non-resident Noteholders shall be obliged to provide Permanent Account Number allotted by the Tax Authorities and/or all prescribed information/documents, including Tax Residency Certificate (issued by the Tax Authorities of the country in which the investor is resident) for claiming the Tax Treaty benefits.

Potential investors should, in any event, consult their own tax advisers on the tax consequences of transfer of the Notes.

Wealth Tax

No wealth tax is payable in relation to the Notes.

Taxation of Persons Ordinarily Resident in India

Any income received in respect of the Notes by a person ordinarily resident in India under the provisions of the Income Tax Act may generally be subject to tax in India according to the personal tax rates applicable.

Estate Duty

No estate duty is payable at present in India in relation to the Notes.

Gift Tax

There is no gift tax payable in India in relation to the Notes.

Stamp Duty

A transfer of the Notes outside India will not give rise to any Indian stamp duty liability unless brought into India. Stamp duty would be payable if the Notes were brought into India for enforcement or for any other purpose. The amount of stamp duty payable would depend on the applicable State Stamp Act and the duty will have to be paid within a period of three months from the date the Notes are first received in India.

Certain United States Federal Income Tax Considerations to U.S. Holders

The following discussion is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes, but does not purport to be a complete analysis of all potential tax effects. The summary is limited to consequences relevant to a U.S. holder (as defined below), and does not address the effects of any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws) or any state, local or non-U.S. tax laws. This discussion is based upon the Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury regulations issued thereunder, and judicial and administrative interpretations thereof, each as of the date hereof, and all of which are subject to change, possibly with retroactive effect. No rulings from the U.S. Internal Revenue Service (the "**IRS**") have been or are expected to be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Notes or that any such position would not be sustained.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a U.S. holder in light of such U.S. holder's particular circumstances, including the impact of the unearned income Medicare contribution tax or the alternative minimum tax, or to holders subject to special rules, such as certain financial institutions, United States expatriates, insurance companies, dealers in securities or currencies, traders in securities, U.S. holders whose functional currency is not the United States dollar, tax-exempt entities, regulated investment companies, real estate investment trusts, partnerships or other pass through entities and investors in such entities and persons holding the Notes as part of a "straddle", "hedge", "conversion transaction" or other integrated transaction for U.S. federal income tax purposes. In addition, this discussion is limited to persons who purchase the Notes for cash at original issue and at their "issue price" (the first price at which a substantial amount of the Notes is sold to the public for cash, excluding sales to bond houses, brokers or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers) and who hold the Notes as capital assets within the meaning of Section 1221 of the Code.

For purposes of this discussion, a "U.S. holder" is a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation or any entity taxable as a corporation for U.S. federal income tax purposes created or organised in the United States or under the laws of the United States, any state thereof or the District of Columbia; (iii) any estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or if a valid election is in place to treat the trust as a U.S. person.

If any entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the Notes, the U.S. federal income tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. An entity or arrangement treated as a partnership for U.S. federal income tax purposes that is considering an investment in the Notes, and partners in such a partnership, should consult their tax advisors regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes.

Prospective purchasers of the Notes should consult their tax advisors concerning the tax consequences of holding Notes in light of their particular circumstances, including the application of the U.S. federal income tax considerations discussed below, as well as the application of other federal, state, local, non-U.S. or other tax laws.

Characterisation of the Notes

We are required to pay Additional Tax Amounts as described under "*Terms and Conditions of the Notes — Taxation*." In addition, in certain circumstances (see "*Terms and Conditions of the Notes — Redemption and Purchase — Redemption at the Option of the Issuer*" and "*Terms and Conditions of the Notes — Redemption and Purchase — Change of Control Put Option*"), we may be obligated to make certain other payments on the Notes in excess of stated principal and interest. We believe (and the rest of this discussion assumes) that the amount of Additional Tax Amounts we will be required to pay on the Notes will generally be constant throughout the term of the Notes and that there is only a remote possibility that we will be obligated to make any other additional payments. Accordingly, we believe that the Notes should not be treated as contingent payment debt instruments. Assuming such position is respected, a U.S. holder would be required to include in income the amount of any such additional payments at the time such payments are received or accrued in accordance with such U.S. holder's method of accounting for U.S. federal income tax purposes. Our position is binding on a holder, unless the holder discloses in the proper manner to the IRS that it is taking a different position. If the IRS successfully challenged this position, and the Notes were treated as contingent payment debt instruments, U.S. holders could be required to accrue interest income at a rate higher than their yield to maturity and to treat as ordinary income, rather than capital gain, any gain recognised on a sale, exchange, retirement, redemption or other taxable disposition of a Note. This disclosure assumes that the Notes will not be considered contingent payment debt instruments. U.S. holders are urged to consult their own tax advisors regarding the potential application to the Notes of the contingent payment debt instrument rules and the consequences thereof.

Payments of Stated Interest

Payments of stated interest on the Notes (including any additional amounts paid in respect of withholding taxes and without reduction for any amounts withheld) generally will be taxable to a U.S. holder as ordinary income at the time that such payments are received or accrued, in accordance with such U.S. holder's method of accounting for U.S. federal income tax purposes.

Foreign Tax Credit

A U.S. holder may be able to claim a credit (or, at such holder's election, a deduction in lieu of such credit) with respect to any non-U.S. withholding taxes deducted from the payment on the Notes in computing such holder's U.S. federal income tax liability. Stated interest income on a Note (including any additional amounts paid in respect of withholding taxes) generally will constitute foreign source

income and generally will be considered "passive category income" for purposes of computing the foreign tax credit. There are significant complex limitations on a U.S. holder's ability to claim foreign tax credits. U.S. holders should consult their tax advisors regarding the creditability or deductibility of any withholding taxes.

Sale, Exchange, Retirement, Redemption or Other Taxable Disposition of Notes

Upon the sale, exchange, retirement, redemption or other taxable disposition of a Note, a U.S. holder generally will recognise gain or loss equal to the difference, if any, between the amount realised upon such disposition (less any amount equal to any accrued but unpaid stated interest, which will be taxable as stated interest income as discussed above to the extent not previously included in income by the U.S. holder) and such U.S. holder's adjusted tax basis in the Note. A U.S. holder's adjusted tax basis in a Note will, in general, be the cost of such Note to such U.S. holder, decreased by the aggregate amount of any payments (other than stated interest) on such Note previously made to the U.S. holder. The cost of a Note will generally be the purchase price of the Note.

Any gain or loss recognised upon the sale, exchange, retirement, redemption or other taxable disposition of a Note generally will be U.S. source capital gain or loss, and generally will be long-term capital gain or loss if the U.S. holder held the Note for more than one year on the date of disposition. Long-term capital gains of non-corporate U.S. holders (including individuals) are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. As gains on the disposition of a Note generally will be treated as U.S. source, the use of U.S. foreign tax credits relating to any Indian income tax imposed upon such gain may be limited. U.S. holders are urged to consult their tax advisors regarding the tax consequences if a non-U.S. tax is imposed on a disposition of our notes, including the availability of the foreign tax credit under their particular circumstances.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to payments of stated interest on the Notes and to the proceeds of the sale, exchange, retirement, redemption or other taxable disposition of a Note paid to a U.S. holder unless such U.S. holder properly establishes that it is a corporation or other exempt recipient. Backup withholding may apply to such payments if the U.S. holder fails to provide a taxpayer identification number or a certification that it is not subject to backup withholding.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

Individuals that own "specified foreign financial assets" (which includes debt of non-U.S. entities) with an aggregate value in excess of certain thresholds generally are required to file an information report (IRS Form 8938) with respect to such assets with their tax returns. The Notes generally will constitute specified foreign financial assets subject to these reporting requirements, unless the Notes are held in an account at certain financial institutions. Under certain circumstances, an entity may be treated as an individual for purposes of these rules.

U.S. holders are urged to consult their tax advisors regarding the application of the foregoing disclosure requirements to their ownership of the Notes, including the significant penalties for non-compliance.

Foreign Account Tax Compliance Act

Pursuant to Sections 1471 through 1474 of the Code (provisions commonly known as "**FATCA**"), a "foreign financial institution" may be required to withhold U.S. tax on certain debt instruments and the gross proceeds from the disposition of such debt instruments. However, in many respects, the application of these rules to instruments such as the Notes is not clear at this time. Even if the Company is treated as a foreign financial institution, Notes issued on or prior to the date that is six months after the date on which applicable final regulations are filed generally would be "grandfathered" from FATCA unless materially modified after such date. Non-U.S. governments have entered into agreements with the United States (and additional non-U.S. governments are expected to enter into such agreements) to implement FATCA in a manner that alters the rules described herein.

Holders should consult their own tax advisors on how these rules may apply to their investment in the Notes. In the event any withholding under FATCA is imposed with respect to any payments on the Notes, there will be no additional amounts payable to compensate for the withheld amount.

CLEARANCE AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that our Company believes to be reliable, but none of our Company, the Joint Bookrunners, the Trustee or the Agents takes any responsibility for the accuracy of this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of our Company and any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-entry Ownership

The Notes will be evidenced on issue by the Regulation S Global Certificate (registered in the name of a nominee for, and shall be deposited with, a common depositary for Euroclear and Clearstream, Luxembourg) and the Rule 144A Global Certificate (registered in the name of a nominee of, and shall be deposited with a custodian for, DTC).

The Issuer, and a relevant U.S. agent appointed for such purpose that is an eligible DTC participant, will make application to Euroclear or Clearstream, Luxembourg for acceptance in its book-entry settlement system of the Notes represented by the Regulation S Global Certificate, and will make application to DTC for acceptance in its book-entry settlement system of the Notes represented by the Rule 144A Global Certificate. The Regulation S Global Certificate will have an ISIN and a Common Code and the Rule 144A Global Certificate will have a CUSIP, an ISIN and a Common Code. The Rule 144A Global Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Certificate, as set out under "Transfer Restrictions". In certain circumstances, as described below, transfers of interests in the Rule 144A Global Certificate may be made as a result of which such legend may no longer be required.

Upon the Global Certificates being registered in the name of a nominee for, and deposited with a common depositary for, Euroclear, Clearstream, Luxembourg or registered in the name of a nominee of, and deposited with a custodian for, DTC (as applicable), the relevant Clearing System will electronically record the nominal amount of the Notes held within its respective system. Investors may hold their beneficial interests in the Global Certificates directly through Euroclear, Clearstream, Luxembourg or DTC if they are participants in such respective systems, or indirectly through organisations which are participants in such respective systems (together, such direct and indirect participants of Euroclear, Clearstream, Luxembourg or DTC shall be referred to as "System Participants"). Those interests held through Euroclear or Clearstream, Luxembourg may also be subject to the procedures and requirements of such system.

Payments and Relationship of Participants with Clearing Systems

Payment of the principal, interest and premium, if any, on each Global Certificate requested in the name of the nominee of Euroclear, Clearstream, Luxembourg or DTC (as applicable) will be to, or to the order of, such nominee as the registered owner of such Global Certificate. The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Certificate, Euroclear, Clearstream, Luxembourg or DTC or their respective nominee will immediately credit the relevant

participants' or account holders' accounts in the relevant clearing system with payments in amounts proportionate to their respective beneficial interests in the face amount of the relevant Global Certificate as shown on the records of the relevant clearing system or its nominee. The Issuer also expects that payments by System Participants to owners of beneficial interests in a Global Certificate held through such System Participants will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Certificate and the obligations of the Trustee will be discharged by payment to the registered holder, as the case may be, of such Global Certificate in respect of each amount so paid. None of the Issuer or any Agent shall have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Transfer of Notes

Transfers of interests in the Global Certificates within Euroclear, Clearstream, Luxembourg and DTC will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in the Rule 144A Global Certificate to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in the Rule 144A Global Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Beneficial interests in the Regulation S Global Certificate may only be held through Euroclear or Clearstream, Luxembourg. In the case of Notes to be cleared through Euroclear, Clearstream, Luxembourg and/or DTC, transfers may be made at any time by a holder of an interest in the Regulation S Global Certificate to a transferee who wishes to take delivery of such interest through the Rule 144A Global Certificate, provided that any such transfer will, subject to the applicable procedures of Euroclear, Clearstream, Luxembourg and/or DTC from time to time, only be made upon receipt by any Transfer Agent of a written certificate from Euroclear or Clearstream, Luxembourg, as the case may be, (based on a written certificate from the transferor of such interest) to the effect that such transfer is being made to a person that the transferor, and any person acting on its behalf, reasonably believes is a QIB within the meaning of Rule 144A purchasing the Notes for its own account or any account of a QIB in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States. Any such transfer made thereafter of the Notes represented by such Regulation S Global Certificate will only be made upon request through Euroclear or Clearstream, Luxembourg by the holder of an interest in the Regulation S Global Certificate to the other agent of details of that account at DTC to be credited with the relevant interest in the Rule 144A Global Certificate.

Transfers at any time by a holder of any interest in the Rule 144A Global Certificate to a transferee who takes delivery of such interest through the Regulation S Global Certificate will, subject to the applicable procedures of Euroclear, Clearstream, Luxembourg and/or DTC from time to time, only be made upon delivery to any Transfer Agent of a certificate setting forth compliance with the provisions of Regulation S and giving details of the account at Euroclear or Clearstream, Luxembourg, as the case may be, and DTC to be credited and debited, respectively, with an interest in each relevant Global Certificate.

Subject to compliance with the transfer restrictions applicable to the Notes described above and under "*Transfer Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream, Luxembourg account holders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the custodian of the Global Certificates, the Registrars and the Paying Agents. On or after the Closing Date, transfers of Notes between account holders in Euroclear and/or Clearstream, Luxembourg and transfers of Notes between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between account holders in Euroclear or Clearstream, Luxembourg and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, Luxembourg, on the other, transfers of interests between the Global Certificates will be effected through the relevant Paying Agent, the custodian of the Global Certificates, the relevant Registrar and any Transfer Agent receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) three business days after the trade date for the disposal of the interest in the relevant Global Certificate resulting in such transfer and (ii) two business days after receipt by a Paying Agent or a Registrar as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg account holders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free-delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of the Notes, see "*Transfer Restrictions*". DTC will take any action permitted to be taken by a holder of Notes only at the direction of one or more DTC participants in whose accounts with DTC interests in the Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Global Certificate as to which such DTC participant or participants has or have given such direction. However, the custodian of the Global Certificates will surrender the relevant Global Certificate for exchange for individual definitive notes in certain limited circumstances.

DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organisation" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerised book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of notes. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly. Transfers of ownership or other interests in Notes in DTC may be made only through DTC participants. In addition, beneficial owners of Notes in DTC will receive all distributions of principal of and interest on the Notes from the Issuer through such DTC participant.

Euroclear and Clearstream, Luxembourg hold securities for participating organisations. They also facilitate the clearance and settlement of securities transactions between their respective participants

through electronic computerised book-entry changes in the accounts of such participants. Euroclear and Clearstream, Luxembourg provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream, Luxembourg interface with domestic securities markets. Euroclear and Clearstream, Luxembourg participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organisations. Indirect access to Euroclear and Clearstream, Luxembourg is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream, Luxembourg participant, either directly or indirectly. Although Euroclear, Clearstream, Luxembourg and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and account holders of Euroclear, Clearstream, Luxembourg and DTC, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Trustee or any Agent will have any responsibility for the performance by Euroclear, Clearstream, Luxembourg or DTC or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations.

While the Global Certificates are lodged with Euroclear, Clearstream, Luxembourg and/or DTC, Notes represented by individual definitive notes will not be eligible for clearing or settlement through Euroclear, Clearstream, Luxembourg or DTC.

Individual Definitive Notes

Registration of title to Notes in a name other than a custodian or its nominee for Euroclear, Clearstream, Luxembourg or DTC will be permitted only in the circumstances set forth in "Global Certificates — Exchange for Definitive Certificates". In such circumstances, the Issuer will cause sufficient individual definitive notes to be executed and delivered to the relevant Registrar for completion, authentication and despatch to the relevant Note holder(s). A person having an interest in a Global Certificate must provide the relevant Registrar with certain information as specified in the Agency Agreement.

Pre-issue Trades Settlement

It is expected that delivery of Notes will be made against payment therefor on the Closing Date, which will be more than three business days following the date of pricing. Under Rule 15c6-1 of the U.S. Exchange Act, trades in the U.S. secondary market generally are required to settle within T+3 unless the parties to any such trade expressly agree otherwise. Accordingly, since the Closing Date will be more than three business days following the date of pricing, purchasers who wish to trade the Notes in the U.S. between the date of pricing and the date that is three business days prior to the Closing Date will be required, by virtue of the fact that such Notes initially will settle beyond T+3, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices and, in the event that the Closing Date is more than three business days following the relevant date of pricing, purchasers of Notes who wish to trade Notes between the date of pricing and the date that is three business days prior to the Closing Date should consult their own adviser.

SUBSCRIPTION AND SALE

Each of the Joint Bookrunners has, pursuant to the Subscription Agreement dated 22 June 2017 entered into with our Company (the "**Subscription Agreement**"), severally agreed, subject to the provisions of the Subscription Agreement, to procure subscribers for, the respective principal amount of Notes set out opposite its name below:

Joint Bookrunners	Principal Amount of Notes
	(U.S.$)
Barclays Bank PLC	100,000,000
Citigroup Global Markets Limited	100,000,000
Standard Chartered Bank	100,000,000
MUFG Securities EMEA plc	100,000,000
SBICAP (Singapore) Limited	100,000,000
Total	**500,000,000**

The Joint Bookrunners initially propose to offer the Notes at the issue price listed on the cover page of this Offering Circular. Our Company will be paying a combined management and underwriting commission and selling commission to the Joint Bookrunners and will reimburse the Joint Bookrunners in respect of certain of their expenses. Our Company has also agreed to indemnify the Joint Bookrunners against certain liabilities incurred in connection with the issue and sale of the Notes. The Subscription Agreement provides that the obligations of the Joint Bookrunners are subject to certain conditions precedent and that the agreement may be terminated in certain circumstances prior to payment of the issue price to our Company.

The Joint Bookrunners have severally agreed to take and pay for all of the Notes if a certain portion of the Notes are taken. After the initial offering, the offering price and other selling terms may be varied from time to time by the Joint Bookrunners.

The Joint Bookrunners and some of their respective affiliates have, from time to time, performed, and may in the future perform, certain commercial banking, investment banking and advisory and other banking services for our Company and/or our Company's affiliates for which they have received or will receive customary fees and expenses.

The Joint Bookrunners and their respective affiliates are full-service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. In the ordinary course of their various business activities, the Joint Bookrunners and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and instruments of our Company, including the Notes.

The Joint Bookrunners or their affiliates that have a lending relationship with our Company routinely hedge their credit exposure to our Company consistent with their customary risk management policies.

Typically, such Joint Bookrunners and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our Company's securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Joint Bookrunners and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Notes or other financial instruments of our Company, and may recommend to their clients that they acquire long and/or short positions in the Notes or other financial instruments.

The Joint Bookrunners and/or their respective affiliates may purchase the Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of our Company or our Company's Subsidiaries, joint ventures or associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Notes).

Each Joint Bookrunner or its affiliates may also purchase Notes for asset management and/or proprietary purposes but not with a view to distribution or may hold Notes on behalf of clients or in the capacity of investment advisers. While each Joint Bookrunner and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause a Joint Bookrunner or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. Each Joint Bookrunner may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

If a jurisdiction requires that the Offering be made by a licensed broker or dealer and the Joint Bookrunners or any affiliate of the Joint Bookrunners is a licensed broker or dealer in that jurisdiction, the Offering shall be deemed to be made by the Joint Bookrunners or such affiliate on behalf of our Company in such jurisdiction.

In connection with the issue of the Notes, the Stabilisation Manager may, to the extent permitted by applicable laws and directives, over-allot the Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail, but, in so doing, the Stabilisation Manager shall act as principal and not as agent of our Company. However, there is no assurance that the Stabilisation Manager will undertake stabilisation action. Any loss or profit sustained as a consequence of any such over-allotment or stabilisation shall be for the account of the Stabilisation Manager or, as the case may be, the Joint Bookrunners.

We expect that delivery of the Notes will be made against payment therefore on or about the closing date specified on the cover page of this Offering Circular, which will be on or about the fifth business day following the pricing date of the Notes (this settlement cycle being referred to as "T+5"). Trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the Notes initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes on the date of pricing or the next succeeding business day should consult their own legal advisors.

Neither the Company nor any person acting on its behalf will issue, sell, offer or agree to sell, grant any option for the sale of, or otherwise dispose of, any other non-Rupee denominated debt securities of the Company or securities of the Company that are convertible into, or exchangeable for, the Notes or such other non-Rupee denominated debt securities, in any such case without the prior written consent of the Joint Bookrunners from the date of the Subscription Agreement until 30 days after the Closing Date (both dates inclusive).

Selling Restrictions

Singapore

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore, and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). Accordingly, the Notes may not be offered or sold, nor may this Offering Circular or any document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, be circulated or distributed, whether directly or indirectly, to any persons in Singapore other than (a) to an institutional investor pursuant to section 274 of the SFA, (b) to a relevant person under Section 275(1) of the SFA, or to any person pursuant to section 275(1A) of the SFA and in accordance with the conditions specified in section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

"securities" (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Notes pursuant to an offer under Section 275 of the Securities and Futures Act except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the Securities and Futures Act or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) pursuant to Section 276(7) of the Securities and Futures Act; or

(v) as specified in Regulation 32 of the Securities and Futures (Offer of Investment) (Shares and Debentures) Regulations 2005 of Singapore.

United Kingdom

Each Joint Bookrunner has represented, warranted and agreed that (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to our Company; and (b) it has complied, and will comply, with all applicable provisions of the FSMA with respect to anything done by it in relation to the securities in, from or otherwise involving the United Kingdom.

Hong Kong

The Notes may not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**Companies Ordinance**") or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and no person has issued or had in its possession for the purposes of issue, or will issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, the "**FIEL**") and may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEL and any other relevant laws and regulations of Japan.

United States

The Notes have not been and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. See "*Transfer Restrictions*" for a description of other restrictions on the transfer of Notes. Accordingly, the Notes are being offered and sold outside the United States in offshore transactions in accordance with Regulation S. The Subscription Agreement provides that the Joint Bookrunners (other than SBICAP (Singapore) Limited) may directly or through their U.S. broker-dealer affiliates, arrange for the offer and resale of the Notes within the United States only to qualified institutional buyers in accordance with Rule 144A. Resales of the Notes are restricted as described under "*Transfer Restrictions*".

Until 40 days after the commencement of this Offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in this Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

SBICAP (Singapore) Limited may not, directly or indirectly, offer or sell the Notes in the United States.

As used herein, the term "United States" has the meaning given to it in Regulation S.

India

This Offering Circular has not been, nor will it be, registered, produced or published as an offer document (whether a prospectus in respect of a public offer or information memorandum or other offering material in respect of any private placement under the Companies Act, 2013, as amended, or any other applicable Indian laws) with any Registrar of Companies, the Securities and Exchange Board of India, any Indian stock exchange or any other statutory or regulatory body of like nature in India, and the Notes will not be offered or sold, and have not been offered or sold, in India by means of any document, whether as a principal or agent nor have the Joint Bookrunners circulated or distributed, nor will they circulate or distribute, the Offering Circular or any other offering document or material relating to the Notes, directly or indirectly, to any person or the public or any member of the public in India or otherwise generally distributed or circulated in India. The Notes have not been offered or sold, and will not be offered or sold to any person, in India, including in circumstances which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities (whether to the public or by way of private placement) within the meaning of the Companies Act, 2013, as amended, or any other applicable Indian laws for the time being in force. Overseas branches/subsidiaries of Indian banks may not subscribe to or purchase the Notes. The acquisition of these Notes by Indian residents may be prohibited under the FEMA, together with the rules and regulations thereunder.

TRANSFER RESTRICTIONS

Because the following restrictions will apply to the Notes, investors should consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only:

- to "qualified institutional buyers" in compliance with Rule 144A, and
- outside the United States in offshore transactions, in reliance upon Regulation S.

Purchasers of the Notes, including purchasers within the United States pursuant to Rule 144A and purchasers outside the United States pursuant Regulation S, cannot transfer or resell the Notes to overseas branches/subsidiaries of Indian banks.

Rule 144A Notes

Each purchaser of the Notes within the United States pursuant to Rule 144A, by accepting delivery of this Offering Circular, will be deemed to have represented, agreed and acknowledged that:

- It is (a) a qualified institutional buyer within the meaning of Rule 144A (a "**QIB**"), (b) acquiring such notes for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A.
- It understands and acknowledges that the Notes are being offered only in a transaction not involving any public offering in the United States, within the meaning of the Securities Act, and that such Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any jurisdiction and (a) may not be offered, sold, pledged or otherwise transferred except (i) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (ii) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States; (b) the purchaser will, and each subsequent purchaser is required to, notify any subsequent purchaser of such notes from it of the resale restrictions referred to in above; and (c) no representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for resale of the Notes.
- If it is a person other than a person outside the United States, it agrees that if it should resell or otherwise transfer the Notes, it will do so only:
    - to the Company or any of our respective affiliates;
    - inside the United States to a qualified institutional buyer in compliance with Rule 144A; o outside the United States in compliance with Rules 903 or 904 under the Securities Act;

- pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available); or

- pursuant to an effective registration statement under the Securities Act.

- It understands that such notes, unless otherwise agreed between the Company and the Trustee in accordance with applicable law, will bear a legend to the following effect:

  "THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY SUBSEQUENT PURCHASER OF THESE NOTES FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE."

- The Company, the Registrars, the Joint Bookrunners and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and, if any such acknowledgments, representations or agreements deemed to have been made by virtue of its purchase of the Notes are no longer accurate, it agrees to promptly notify us. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

- It understands that the Notes offered in reliance on Rule 144A will be represented by the Rule 144A Global Certificate. Before any interest in the Rule 144A Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Global Certificate, it will be required to provide the relevant Registrar with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S Notes

Each purchaser of the Notes outside the United States pursuant to Regulation S, by accepting delivery of this Offering Circular and the Notes, will be deemed to have represented, agreed and acknowledged that:

- It is, or at the time such Notes are purchased will be, the beneficial owner of such notes and (a) it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Company or a person acting on behalf of such an affiliate.

- It understands that such Notes have not been and will not be registered under the Securities Act.

- The Company, the Registrar, the Joint Bookrunners and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and, if any such acknowledgments, representations or agreements deemed to have been made by virtue of its purchase of the Notes are no longer accurate, it agrees to promptly notify us.

LEGAL MATTERS

Latham & Watkins LLP will pass upon certain legal matters in connection with the Offering for the Company with respect to U.S. federal and English law. Linklaters will pass upon certain legal matters in connection with the Offering for the Joint Bookrunners with respect to U.S. federal and English law.

Matters of Indian law will be passed upon for the Company by Cyril Amarchand Mangaldas, Indian counsel to the Company, and for the Joint Bookrunners by Luthra & Luthra Law Offices, Indian counsel to the Joint Bookrunners.

INDEPENDENT ACCOUNTANTS

S.R.B.C. & Co. LLP, Chartered Accountants, the Auditors of our Company, have audited our consolidated financial statements for Fiscal Years 2015 and 2016 prepared in accordance with Indian GAAP, our consolidated financial statements for Fiscal Year 2017 prepared in accordance with Ind AS, each included in this Offering Circular, and have audited our Special Purpose Consolidated Ind AS Financial Statements for Fiscal Year 2016 prepared in accordance with recognition and measurement principles of Ind AS which are not included in this Offering Circular. The Special Purpose Consolidated Ind AS Financial Statements for Fiscal Year 2016 were prepared in accordance with recognition and measurement principles of Ind AS and basis of preparation as set out in the accompanying notes thereto and do not include comparative information and do not consider any events or circumstances which has occurred after 3 May 2016, for which the auditors have included a modification in their report.

Further, our Board has recommended the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants as statutory auditors for a period of five years from the conclusion of the annual general meeting to be held in 2017.

DESCRIPTION OF CERTAIN DIFFERENCES BETWEEN INDIAN GAAP, IND AS AND IFRS

The consolidated financial statements and other financial information for Fiscal Years 2015 and 2016 of our Company and its subsidiaries and jointly controlled entities and associates have been prepared in accordance with Indian GAAP, and the consolidated financial statements for Fiscal Year 2017 have been prepared in accordance with Ind AS and the Special Purpose Consolidated Ind AS Financial Statements for Fiscal Year 2016 of our Company and its subsidiaries and jointly controlled entities have been prepared in accordance with recognition and measurement principles of Ind AS. Certain differences exist between Indian GAAP, IFRS and Ind AS which might be material to the financial information herein.

The areas in which differences between Indian GAAP, IFRS and Ind AS could be significant to the consolidated financial position and consolidated results of operations of our Company and its subsidiaries and jointly controlled entities and associates are summarised below. IFRS being the exhaustive sets of standards, rules and interpretations issued by the International Accounting Standards Board (IASB), no assurance can be given that the differences listed below cover all possible differences.

Further, no attempt has been made to identify differences between Indian GAAP, Ind AS and IFRS as a result of prescribed changes in accounting standards that are effective in future periods. Regulatory bodies that promulgate the Indian GAAP, Ind AS and the IFRS have significant projects ongoing that could affect future comparisons such as this one.

Potential investors should consult their own advisers for an understanding of the principal differences between the Indian GAAP, Ind AS and the IFRS, and how these differences might affect the financial statements appearing in this Offering Circular.

Summary of Certain Differences

Topic	Indian GAAP	IFRS	Ind AS
Presentation of Financial Statements — Components of financial statements	The requirements for the presentation of financial statements are set out in Schedule III to the Companies Act, 2013 and the Accounting Standards specified under the Companies Act, 1956, which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts Rules, 2014). The components of financial statements are (a) balance sheet (b) statement of profit and loss (c) cash flow statement (d) explanatory notes including a summary of accounting policies.	IAS 1 sets out the requirements for presentation of financial statements and the guidelines for their structure and content. As per IFRS, a complete set of financials comprises: (a) a statement of financial position; (b) a statement of profit or loss and other comprehensive income for the period; (c) statement of cash flow; (d) statement of changes in equity; and (e) notes including summary of accounting policies and explanatory notes.	The requirements for the presentation of financial statements are set out in Ind AS compliant Schedule III to the Companies Act, 2013 and the Accounting Standards specified under the Companies (Indian Accounting Standards) Rules, 2015. As per Ind AS, a complete set of financials comprises: (a) a balance sheet; (b) a statement of profit and loss; (c) statement of cash flow; (d) statement of changes in equity; and (e) notes including summary of accounting policies and explanatory notes.

Topic	Indian GAAP	IFRS	Ind AS
Presentation of Financial Statements — Fair presentation	Fair presentation means compliance with the applicable requirements of the Companies Act, notified accounting standards along with Framework for preparation and presentation of financial statements. Indian GAAP prohibits departures from the principles of Accounting Standards or the Companies Act unless permitted by another regulatory framework.	Fair presentation as per IFRS means faithful representation of the effects of the transactions, other events and conditions in accordance with the definitions and recognition of criteria for assets, liabilities, income and expenses set out in the Framework. If management concludes that compliance with requirements of IFRS is so misleading then in extremely rare circumstances, it may depart from the Standard or the Interpretation. If there is departure from any Interpretation or Standard, a disclosure has to be given stating reasons for departure and why application of the Standard or the Interpretation would have been misleading and the financial impact of applying the standard are required to be disclosed.	Similar to IFRS
Presentation of Financial Statements — Presentation of income statement/ statement of profit and loss	Schedule III to the Companies Act, 2013 permits only an analysis of expense by nature. Additional information by way of notes is required for any item of income or expenditure which exceeds one percent of the revenue from operations or Rs. 100,000, whichever is higher. As per Companies (Accounts Rules) 2014, any item which constitutes 20% or more of the total income or expenses (including provision) should be shown separately Profit or loss attributable to minority interests is disclosed as a deduction from the profit or loss for the period as an item of income or expense (As per AS 21). As per Schedule III of the Companies Act 2013, the Profit or Loss to minority interest and to owners of parents in the consolidated statement of profit and loss shall be presented as allocation for the period.	An analysis of expenses is presented using a classification based on either the nature of expenses or their function whichever provides information that is reliable and more relevant. If presented by function, specific disclosures by nature are provided in the notes. Profit or loss attributable to minority interests and equity holders of the parent are disclosed in the statement of comprehensive income / income statement (if presented separately) as allocations of profit or loss for the period.	Ind AS compliant Schedule III to the Companies Act, 2013 and Ind AS permit only an analysis of expense by nature. As per Ind AS compliant Schedule III to the Companies Act, 2013, additional information by way of notes is required for any item of income or expenditure which exceeds one percent of the revenue from operations or Rs. 1,000,000, whichever is higher. Profit or loss attributable to non-controlling interests and equity holders of the parent are disclosed in the statement of profit and loss as allocations of profit or loss for the period and total comprehensive income for the period.

Topic	Indian GAAP	IFRS	Ind AS
Presentation of Financial Statements — Statement of changes in equity	A statement of changes in equity is not required. Movements in share capital, retained earnings and other reserves are presented in the Schedules to Financial Statements.	A statement of changes in equity is presented showing: a) Transactions with owners in their capacity as owners, showing separately contributions by and distributions to equity holders. b) The total comprehensive income for the period. Amounts attributable to owners of the parent and non-controlling interests are to be shown separately. c) Effects of retrospective application or restatement on each component of equity. d) For each component of equity, an entity shall present, either in the statement of changes in equity or in the notes, an analysis of other comprehensive income by item	Similar to IFRS
Presentation of Financial Statements — Extraordinary items	Extraordinary items are to be disclosed separately in the statement of profit and loss and are included in determination of net profit or loss. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	IFRS prohibits the presentation of any items of income or expense as extraordinary.	Similar to IFRS
Inventories — Reversal of write-down	No specific guidance in AS 2. However reversals may be permitted as AS 5, Net Profit or Loss for the period, Prior Period items and Changes in Accounting Policies requires this to be disclosed as a separate line item in the statement of profit or loss.	A new assessment of net realisable value is required to be made in each subsequent period. Write-down of inventory is reversed if circumstances that previously caused inventories to be written down below cost no longer exist or when there is a clear evidence of an increase in the net realisable value because of changes in economic circumstances.	Similar to IFRS
Cash Flow Statement — Bank overdrafts	Bank overdrafts are considered to be financing activities.	Included if they form an integral part of an entity's cash management. Usually, these bank balances often fluctuate from being positive to overdrawn. In such cases, bank overdrafts form a part of cash and cash equivalents.	Similar to IFRS
Cash Flow Statement — Cash flows from extraordinary items	Cash flows from items disclosed as extraordinary are classified as arising from operating, investing or financing activities and separately disclosed.	As presentation of items as extraordinary is not permitted in accordance with IAS 1, cash flow statement does not reflect any items of cash flow as extraordinary.	Similar to IFRS

Topic	Indian GAAP	IFRS	Ind AS
Cash Flow Statement — Interest and dividend	Interest and dividends received are required to be classified as investing activities. Interest and dividends paid are required to be classified as financing activities.	Either can be classified as operating, investing or financing activities in a manner consistent from period to period.	Similar to Indian GAAP
Accounting Policies, Changes in Accounting Estimates and Errors — Changes in accounting policies	Any change in an accounting policy which has a material effect should be disclosed. The impact of, and the adjustments resulting from, such change, if material, should be shown in the financial statements of the period in which such change is made, to reflect the effect of such change. Where the effect of such change is not ascertainable, wholly or in part, the fact should be indicated. If a change is made in the accounting policies which has no material effect on the financial statements for the current period but which is reasonably expected to have a material effect in later periods, the fact of such change should be appropriately disclosed in the period in which the change is adopted.	Retrospective application of changes in accounting policies is done by adjusting the opening balance of the affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy were always applied. This retrospective change is permitted only when IFRS does not include specific transition provision or if changes in accounting policy is voluntary. If retrospective application is impracticable for a particular prior period, or for a period before those presented, the circumstances that led to the existence of that condition and a description of how change in accounting policy has been applied needs to be stated. When it is impracticable to determine the period-specific effects of changing an accounting policy on comparative information for one or more prior periods presented, the entity shall apply the new accounting policy to the carrying amounts of assets and liabilities as at the beginning of the earliest period for which retrospective application is practicable, which may be the current period, and shall make a corresponding adjustment to the opening balance of each affected component of equity for that period. When it is impracticable to determine the cumulative effect, at the beginning of the current period, of applying a new accounting policy to all prior periods, the entity shall adjust the comparative information to apply the new accounting policy prospectively from the earliest date practicable.	Similar to IFRS

Topic	Indian GAAP	IFRS	Ind AS
Accounting Policies, Changes in Accounting Estimates and Errors	Material prior year errors are included in determination of profit or loss in the period in which the error is discovered and are presented separately in the statement of profit and loss in the manner that their impact on the current profit or loss can be perceived.	Material prior year errors are corrected retrospectively (except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error) by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.	Similar to IFRS
Accounting Policies, Changes in Accounting Estimates and Errors — New accounting pronouncements	Not required to be disclosed.	New accounting pronouncements not applied by the entity that have been issued but not effective on the balance sheet date are disclosed. Known or reasonably estimable information relevant to assessing the possible impact of the new accounting pronouncements on initial application on the financial statements is disclosed.	Similar to IFRS
Events after balance sheet date — Dividends	Dividends are recognised as an appropriation from profits and recorded as liability at the balance sheet date, if proposed or declared subsequent to the reporting period but before approval of the financial statements. Further, as per recent amendments by the Companies (Accounting Standards) Amendment Rules, 2016 in AS 4, Further, as per recent amendments by the Companies (Accounting Standards) Amendment Rules, 2016 in AS 4, the requirement of recognition of liability towards dividend is now in line with IFRS and Ind AS. However, the financial statements prepared and presented under Indian GAAP doesn't include this amendment.	Liability for dividends declared to holders of equity instruments are recognised in the period when declared.	Similar to IFRS
Income Taxes — Recognition of deferred tax liabilities	Deferred income taxes are recognised for all timing differences in respect of recognition of items of profit or loss for the purposes of financial reporting and for income taxes.	Deferred income taxes are recognised for all taxable temporary differences between accounting and tax base of assets and liabilities except to the extent they arise from (a) initial recognition of goodwill or (b) of asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither the accounting nor the tax profit.	Similar to IFRS

Topic	Indian GAAP	IFRS	Ind AS
Income Taxes — Recognition of deferred tax assets	Deferred tax asset for unused tax losses and unabsorbed depreciation is recognised only to the extent that there is virtual certainty supported by evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax asset for all other unused credits is recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.	Deferred tax asset is recognised for carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and tax credits can be utilised.	Similar to IFRS
Income Taxes — recognition of taxes on items recognised in other comprehensive income or directly in equity	No specific guidance in AS 22. However, an announcement made by the Institute of Chartered Accountants of India (the "ICAI") requires any expense charged directly to reserves and/or securities premium account to be net of tax benefits expected to arise from the admissibility of such expenses for tax purposes. Similarly, any income credited directly to a reserve account or a similar account should be net of its tax effect.	Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised in the same or a different period, outside profit or loss. Therefore the tax on items recognised in other comprehensive income, or directly in equity, is also recorded in other comprehensive income or in equity, as appropriate.	Similar to IFRS
Income Taxes — Investments in subsidiaries, branches and associates, and interests in joint ventures	No deferred tax liability is recognised.	Deferred tax liability for all taxable temporary differences are recognised except to the extent that: (a) the parent, investor or the joint-venturer is able to control timing of the reversal of the temporary difference, and (b) it is probable that the temporary difference will not reverse in the foreseeable future.	Similar to IFRS
Income Taxes — Deferred tax on business combinations	Unrecognised tax assets of the acquirer which satisfy the recognition criteria by the first annual balance sheet date subsequent to an amalgamation (merger) in the nature of purchase are recognised as an asset with a corresponding effect to goodwill. If the recognition criteria are not satisfied by the first annual balance sheet date, any subsequent recognition of deferred tax assets are credited to the statement of profit and loss.	If the potential benefit of the acquiree's income tax loss, carry forward or other deferred tax assets did not satisfy the criteria in IFRS 3 for separate recognition when the business combination is initially accounted for, and is subsequently realised, goodwill is reduced to record pre-acquisition deferred tax assets which are recognised within 12 months of the acquisition date as a result of new information on facts and circumstances that existed on the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefit is recognised in profit or loss. All other deferred tax benefits are recognised in profit or loss.	Similar to IFRS, except that if the carrying amount of goodwill is Nil, any remaining deferred tax benefits are recognised in other comprehensive income and accumulated in equity as capital reserve or recognised directly in capital reserve depending on whether there exist clear evidence of the underlying reason for classifying the business combination as a bargain purchase as specified in Ind AS 103.

Topic	Indian GAAP	IFRS	Ind AS
Income Taxes — deferred tax on unrealised intragroup profits	No adjustments for deferred tax are made on consolidation. It is an aggregation from separate financial statements of each group entity.	Deferred tax is to be recognised on unrealised intra-group profits at the buyer's rate.	Similar to IFRS
Property, Plant and Equipment — cost of major inspection	Costs of major inspections are expensed when incurred, unless they increase the future economic benefits from the assets.	Costs of major inspections and overhauls are recognised in the carrying amount of property, plant and equipment as replacement, if recognition criteria are satisfied and any remaining carrying amount of the cost of previous inspection is derecognised.	Similar to IFRS
Property, Plant and Equipment — revaluation	No specific requirement on frequency of revaluation.	If an entity adopts the revaluation model, revaluations are required to be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.	Similar to IFRS
Property, Plant and — compensation for impairment	No specific requirement. In practice compensation is offset against items of property, plant and equipment which are replaced.	Compensation from third parties for impairment or loss of items of property, plant and equipment is included in the statement of profit and loss when the compensation becomes receivable.	Similar to IFRS
Property, Plant and — change in method of depreciation	Requires retrospective recomputation of depreciation and any excess or deficit on such recomputation is required to be adjusted in the period in which such change is effected. Such a change is treated as change in accounting policy and its effect is quantified and disclosed.	Changes in depreciation method are considered as change in accounting estimate and applied prospectively.	Similar to IFRS
Property, Plant and — Change in existing Decommissioning, Restoration and Similar Liabilities	No specific guidance.	Provision for decommissioning, restoration and similar liabilities that have previously been recognised as part of the cost of an item of property, plant and equipment are adjusted for changes in the amount or timing of future costs and for changes in market-based discount rates.	Similar to IFRS

Topic	Indian GAAP	IFRS	Ind AS
Leases — interest in leasehold land	Leasehold land is recorded and classified as fixed assets.	As per para 19 of IAS 17, in accordance with IAS 40, it is possible for a lessee to classify a property interest held under an operating lease as an investment property. If it does, the property interest is accounted for as if it were a finance lease and, in addition, the fair value model is used for the asset recognised. The lessee will continue to account for the lease as a finance lease, even if a subsequent event changes the nature of the lessee's property interest so that it is no longer classified as investment property.	Similar to IFRS, except that a property interest in an operating lease cannot be accounted for as Investment property at fair value as the fair value model is not permissible by Ind AS 40.
Leases — initial direct costs of lessors for assets under a finance lease	Initial direct costs are either recognised immediately in the statement of profit and loss or allocated against the finance income over the lease term. Initial lease costs incurred by manufacturer or dealer lessors are recognised as expense at the inception of the lease.	For finance leases other than those involving manufacturer or dealer lessors, initial direct costs are included in the measurement of the finance lease receivable and reduce the amount of income recognised over the lease term. Initial direct cost are often incurred in connection with specific leasing activities such as negotiating and securing leasing arrangements, should be considered. Only incremental costs may be treated as initial direct cost. Initial lease costs incurred by manufacturer or dealer lessors are recognised as expense when selling profit is recognised.	Similar to IFRS
Leases — initial direct costs of lessors for assets under operating leases	Initial direct costs incurred by lessors are either deferred and allocated to income over the lease term in proportion to the recognition of rent income, or are recognised as an expense in the statement of profit and loss in the period in which they are incurred.	Initial direct costs incurred by lessors are added to the carrying amount of the leased asset and recognised as expense over the lease term on the same basis as lease income.	Similar to IFRS
Determining whether an arrangement contains a lease	There is no such requirement.	An arrangement that does not take the legal form of a lease but fulfillment of which is dependent on the use of specific assets and which conveys the right to use the assets is accounted for as a lease in accordance with IAS 17.	Similar to IFRS
Lease incentives	There is no specific guidance.	The lessor and lessee recognise lease incentives as an increase or reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from use of the leased asset.	Similar to IFRS

Topic	Indian GAAP	IFRS	Ind AS
Evaluating the Substance of transactions involving the legal form of a lease	No specific guidance.	If a series of transactions involves the legal form of a lease and the economic effect can only be understood with reference to the series as a whole, then the series is accounted for as a single transaction.	Similar to IFRS
Revenues — definition	Revenue is the gross inflow of cash, receivables or other consideration arising in the course of the ordinary activities. Revenue is measured by the charges made to customers for goods supplied and services rendered to them and by the charges and rewards arising from the use of resources by them. Revenue is presented as under: Turnover xxx Less: Excise Duty xx Turnover (Net) xxx	Revenue is the gross inflow of economic benefits arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Amounts collected on behalf of third parties such as sales and service taxes and value added taxes are excluded from revenues.	Similar to IFRS
Revenues — measurement	Revenue is recognised at the nominal amount of consideration receivable.	Revenue shall be measured at the fair value of the consideration received or receivable. When the inflow of cash and cash equivalents is deferred, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of consideration is recognised as interest revenue using the effective interest method.	Similar to IFRS
Revenues — exchange transactions	No specific guidance.	When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, revenue is not recognised. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a revenue generating transaction. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.	Similar to IFRS

Topic	Indian GAAP	IFRS	Ind AS
Revenues — interest	Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.	Interest income is recognised using the effective interest method.	Similar to IFRS
Revenues — Dividend recognition out in separate financial statements	Dividend income declared out of post-acquisition profits should be recognised in the statement of profit and loss. Dividend declared out of pre-acquisition profits will go to reduce the cost of investment.	Entire dividend income should be recognised in the statement of profit or loss irrespective of whether it is declared out of pre-acquisition or post-acquisition profits, though it may, in some situations, be necessary to test the investment for impairment.	Similar to IFRS
Employee Benefits — Discount rate	Market yields at the balance sheet date on government bonds are used as discount rates.	Market yields at the reporting period on high quality corporate bonds are used as discount rates. In countries where there are no deep markets for such bonds, market yields on government bonds are used.	The rate used to discount post-employment benefit obligations (both funded and unfunded) shall be determined by reference to market yields at the end of the reporting period on government bonds. However, subsidiaries, associates, joint ventures and branches domiciled outside India shall discount post-employment benefit obligations arising on account of post-employment benefit plans using the rate determined by reference to market yields at the end of the reporting period on high quality corporate bonds. In case, such subsidiaries, associates, joint ventures and branches are domiciled in countries where there is no deep market in such bonds, the market yields (at the end of the reporting period) on government bonds of that country shall be used. The currency and term of the government bonds or corporate bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations.

Topic	Indian GAAP	IFRS	Ind AS
Employee Benefits — Actuarial gains and losses	Actuarial gains and losses should be recognised immediately in the statement of profit or loss as income or expense.	Actuarial gains and losses forms part of re-measurement of net defined benefit liability (asset) and recognised in other comprehensive income.	Similar to IFRS
Employee Benefits — Interest expense (income) on defined benefit plans	Interest expense and expected return on plan are to be computed separately. Interest expense is determined by applying the discount rate as specified above on defined benefit obligation and recognised in profit or loss. The expected return on plan assets is computed based on market expectation and recognised in the statement of profit or loss. The difference between the expected return on plan assets and the actual return on plan assets is an actuarial gain or loss and recognised in profit or loss.	Interest expense/(income) is determined by applying the discount rate as specified above on net defined benefit liability/ (asset) and recognised in profit or loss. Net defined benefit liability/ (asset) is the present value of the defined benefit obligation less the fair value of plan assets (if any). The difference between the return on plan assets and amounts considered in net interest is included in the remeasurement of the net defined benefit liability/ (asset) and recognised in other comprehensive income.	Similar to IFRS
Government Grants — recognition	Two approaches may be followed: (i) The capital approach; or (ii) the income approach. Government grants towards total capital investments where no repayment is ordinarily expected is credited directly to shareholders' interest. Grants related to revenue are recognised in the Statement of profit or loss on a systematic and rational basis over the periods necessary to match them with the related costs. Grants related to no depreciable assets are credited to capital reserve. Grants related to depreciable assets are either treated as deferred income and transferred to the statement of Profit or loss in proportion to depreciation, or deducted from the gross value of the asset concerned in arriving at its book value.	Government grants are recognised as income to match them with related costs which they are intended to compensate on a systematic basis. Government grants are not directly credited to shareholders' interests. Government grants related to assets are presented in the Balance Sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.	Similar to IFRS, except grant related to assets, including non-monetary grant at fair value which should be presented in balance sheet only by setting up the grant as deferred income.
Government Grants — nonmonetary assets	If the asset is given by the government at a discounted price, the asset and the grant is accounted at the discounted purchase price. All other nonmonetary grants are accounted at nominal values.	The asset and the grant may be accounted at fair value. Alternatively, these can be accounted at nominal value.	Both, the grant and the asset should be accounted for at fair value.
Effects of Changes in Foreign Exchange Rates — functional and presentation currency	Foreign currency is a currency other than the reporting currency which is the currency in which financial statements are presented. There is no concept of functional currency.	Functional currency is the currency of primary economic environment in which the entity operates. Foreign currency is a currency other than the functional currency. Presentation currency is the currency in which the financial statements are presented.	Similar to IFRS

Topic	Indian GAAP	IFRS	Ind AS
Effects of Changes in Foreign Exchange Rates — exchange differences	Similar to IFRS. However, as per the Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard 11 (AS-11) notified by Indian Government on 31 March 2009, exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, can be added to or deducted from the cost of the asset and shall be depreciated over the balance life of the asset and, in other cases, can be accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term asset/liability by recognition as income or expense in each of such periods.	Exchange differences arising on translation or settlement of foreign currency monetary items are recognised in profit or loss in the period in which they arise.	Similar to IFRS, However, an entity may continue the policy adopted for exchange difference arising from translation of long term foreign currency monetary items 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.
Effects of Changes in Foreign Exchange Rates — change in functional currency	Change in reporting currency is not dealt with in the Indian GAAP (AS 11), though reason for change is required to be disclosed.	Change in functional currency is applied prospectively. The fact of change in functional currency and the reason for the change in functional currency should be disclosed.	Similar to IFRS. Additionally, the date of change in functional currency should also be disclosed.
Effects of Changes in Foreign Exchange Rates — translation in consolidated financial statements	Translation of financial statements to the reporting currency of the parent depends on the classification of that operation as integral or nonintegral. Integral Operation: monetary assets are translated at closing rate; non-monetary items are translated at historical rate if they are valued at cost and if they are valued on another other valuation basis, at the exchange rates that existed when the values were determined. Income and expense items are translated at average rate. Exchange differences are taken to statement of Profit or loss. For non-integral operations, the closing rate method should be followed i.e., assets and liabilities are translated at closing rate while Profit and Loss items are translated at actual/average rates. The resulting exchange difference is taken to reserve and is recycled to statement of profit or loss on the disposal of the non-integral foreign operation.	Assets and liabilities should be translated from functional to presentation currency at the closing rate at the date of the balance sheet; income and expenses at actual / average rate for the period; exchange differences are recognised in the other comprehensive income and accumulated as a separate component of equity and recycled to income statement on disposal of investment/ operation.	Similar to IFRS

Topic	Indian GAAP	IFRS	Ind AS
Related Party Disclosures, identification	Post-employment benefit plans are not included as related parties.	Related party includes post-employment benefit plans for the benefit of employees of either the reporting entity or any an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity	Similar to IFRS
Separate Financial Statements — Accounting for investments in subsidiaries in separate financial statements	Accounted at cost less impairment loss.	Accounted either at cost less impairment loss or at fair value in accordance with IAS 39.	Similar to IFRS
Investments in Associates and Joint Ventures — Separate financial statements of the investor	Accounted at cost less impairment loss.	Accounted either at cost less impairment loss or at fair value in accordance with IAS 39.	Similar to IFRS
Investments in Associates and Joint Ventures — in consolidated financial statements — Goodwill	Negative goodwill (Capital Reserve) is included in the carrying amount of investment in the associate but is disclosed separately.	Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment i.e. Negative goodwill is included as income in determination of the investor's share of associate's profit or loss.	Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment should be recognised directly in equity as capital reserve in the period in which the investment is acquired.
Investments in Associates and Joint Ventures — in consolidated financial statements — Reporting date	The difference between the reporting date of the associate and that of the parent shall be no more than six months.	The difference between the reporting date of the associate and that of the parent shall be no more than three months.	Similar to IFRS
Investments in Associates and Joint Ventures — in consolidated financial statements — Uniform accounting policies	Similar to IFRS, except that if it is not practicable to do so, that fact is disclosed along with a brief description of the differences between the accounting policies.	Associate's accounting policies for like transactions and events in similar circumstances should be uniform with the investor's for the purposes of equity accounting.	The Financial statements should be prepared using uniform accounting policies for like transactions and events in similar circumstances unless, in case of an associate, it is impracticable to do so.

Topic	Indian GAAP	IFRS	Ind AS
Investments in Associates and Joint Ventures — in consolidated financial statements — Disposals	No specific guidance.	Entity reclassifies gain or loss previously recognised in other comprehensive income to profit or loss, on disposal investment in associate. Remaining investment shall be measured in accordance with IAS 28.	Similar to IFRS
Financial Instruments: Presentation — classification of convertible debts	Classified as debt based on its legal form and any interest expense is recognised based on the coupon rate.	Convertible debts are split into liability component and equity / embedded financial derivative component depending on the terms.	Similar to IFRS
Earnings Per Share — Extraordinary items	Earnings Per Share ("EPS") with and without extraordinary items is to be presented.	Since IAS 1 prohibits presentation of any item as extra ordinary, no consideration is given to such items for calculating EPS.	Similar to IFRS
Impairment of Assets — reversal of impairment loss for goodwill	Impairment loss for goodwill is reversed if the impairment loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.	Impairment loss recognised for goodwill is prohibited from reversal in a subsequent period.	Similar to IFRS
Provisions, Contingent liabilities and Contingent Assets — Recognition of Provisions	Provisions are not recognised based on constructive obligations though some provisions may be needed in respect of obligations arising from normal practice, custom and a desire to maintain good business relations or to act in an equitable manner.	A provision is recognised when an entity 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.	Similar to IFRS
Provisions, Contingent Liabilities and Contingent Assets — discounting	Discounting of liabilities is not permitted and provisions are carried at their full values.	Where the effect of time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects the current market assessment of the time value of money and risks specific to the liability. The discount rate does not reflect risk for which future cash flow estimates have been adjusted.	Similar to IFRS
Provisions, Contingent Liabilities and Contingent Assets — contingent assets	Contingent assets are not disclosed in the financial statements.	Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.	Similar to IFRS
Intangible assets — measurement	Measured only at cost.	Intangible assets can be measured at either cost or revalued amount.	Similar to IFRS

Topic	Indian GAAP	IFRS	Ind AS
Intangible assets — useful life	Useful life may not be indefinite. There is a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.	Useful life may be finite or indefinite.	Similar to IFRS
Investment Property — measurement	There is no specific standard dealing with investment properties. At present, covered by AS 13 — Accounting for Investments. They are classified as long-term investments and measured at cost less impairment.	Investment properties can be measured using the cost model (in accordance with IAS 16 requirements) or the fair value model (with changes in fair value recognised in the statement of profit and loss).	Investment property are measured using cost model. Fair value model is not permitted. Detailed disclosure pertaining to fair value have to be given.
Business Combinations — cost allocations	Amalgamations in the nature of purchase are accounted for by recording the identifiable assets and liabilities of the acquiree at their fair values or at book values. Amalgamations in the nature of merger are accounted for in a manner consistent with the pooling of interest method.	All business combinations, other than those between entities under common control, are accounted for by applying the purchase method. An acquirer is identified for all business combinations, which is that entity that obtains control of the other combining entity. As at the effective date of the business combination, each identifiable asset and liability are recorded at the acquisition date fair value. .	Similar to IFRS, However, Ind AS permits the application of pooling of interest method to record business combination between the entities under common control.
Business Combinations — goodwill	Any excess of the amount of the consideration over the value of the net assets of the transferor company acquired by the transferee company is recognised in the transferee's financial statements as goodwill arising on amalgamation. Goodwill arising on amalgamations in the nature of purchase is amortised over a period not exceeding five years. There is no specific guidance on goodwill arising on acquisition of a subsidiary and accordingly tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate impairment.	Goodwill is not amortised but tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate impairment.	Similar to IFRS

Topic	Indian GAAP	IFRS	Ind AS
Business Combinations — bargain purchase	If the amount of the consideration is lower than the value of the net assets acquired, the difference is recognised as capital reserve, a component of shareholder's reserve.	If the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of business combination, the fair value and the cost of net assets acquired is reassessed and any excess remaining is recognised immediately in the statement of profit and loss.	If the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of business combination, the fair value and the cost of net assets acquired shall be reviewed and any excess remaining shall be recognised in other comprehensive income on the acquisition date and accumulate the same in equity as capital reserve.
Business Combinations — acquisition related costs	No specific guidance.	The acquirer is required to recognise acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received.	Similar to IFRS
Business Combinations — non-controlling interest	At the time of acquisition, minority interests in the net assets consist of the amount of equity attributable to minorities at the date on which investment in the acquiree is made.	At the date of acquisition, an entity may elect to measure, on a transaction by transaction basis, the non-controlling interest at (a) fair value or (b) the non-controlling interest's proportionate share of the fair value of the identifiable net assets of the acquire.	Similar to IFRS
Business Combinations — business combinations achieve in stages	If two or more investments are made over a period of time, the equity of the subsidiary at the date of investment is generally determined on a step-by step basis; however, if small investments are made over a period of time and then an investment is made that results in control, the date of the latest investment, may be considered as the date of investment.	For business combinations achieved in stages, if the acquirer increases an existing equity interest so as to achieve control of the acquire, the previously held interest is remeasured at acquisition date fair value and any resulting gain or loss is recognised in profit or loss.	Similar to IFRS
Non-current assets held for sale — recognition and measurement	There is no standard dealing with non-current assets held for sale, though AS 10 deals with assets held for disposal Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the statement of profit and loss.	Non-current assets to be disposed of are classified as held for sale when the asset is available for immediate sale and the sale is highly probable. The asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Depreciation ceases on the date when the assets are classified as held for sale. Non-current assets classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell.	Similar to IFRS

Topic	Indian GAAP	IFRS	Ind AS
Non-current assets held for sale — discontinued operations	An operation is classified as discontinuing at the earlier of (a) a binding sale agreement for sale of the operation; and (b) on approval by the board of directors of a detailed formal plan and announcement of the plan.	An operation is classified as discontinued when it has either has been disposed of or is classified as held for sale and: (a) represents a separate major line of business or geographical area of operations, (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or (c) is a subsidiary acquired exclusively with a view to resale. .	Similar to IFRS
Operating Segments — determination of segments	AS 17 requires an enterprise to identify two sets of segments (business and geographical), using a risks and rewards approach, with the enterprise's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.	Operating segments are components of an entity that engages in business activities from which it may earn revenues and incur expenses and are identified based on the financial information that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance and for which discrete financial information is available.	Similar to IFRS
Operating Segments — measurement	Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the enterprise as a whole. Segment revenue, segment expense, segment result, segment asset and segment liability have been defined.	Segment profit or loss is reported on the same measurement basis as that used by the chief operating decision maker. There is no definition of segment revenue, segment expense, segment result, segment asset or segment liability. Requires reconciliation of segment performance measures, and segment assets and liabilities with the corresponding amounts reported in the financial statements.	Similar to IFRS
Operating Segments — entity wide disclosures	Disclosures are required based on classification of segment as primary or secondary. Disclosure requirements for secondary reporting format are less detailed than those required for primary reporting segments.	Requires disclosure of (a) external revenues from each product or service; (b) revenues from customers in the country of domicile and from foreign countries; and (c) geographical information on non-current assets located in the country of domicile and foreign countries. Information on major customers including total revenues from each major customer is disclosed if revenues from each customer is 10% or more of total segment revenues.	Similar to IFRS

Topic	Indian GAAP	IFRS	Ind AS
Financial Instruments: Recognition and Measurement — general recognition principle	There is no definition of financial instrument. The Mark to Market losses of derivatives not covered under AS 11 are accounted in statement of profit and loss in accordance with Guidance Note on Accounting of Derivative Contracts issued by the ICAI.	All financial assets and financial liabilities are recognised in the statement of financial position when these meet the definition and recognition criteria of a financial instrument. A financial instrument is a contract to that give rise to a financial asset of one entity and a financial liability or equity in another entity.	Similar to IFRS
Financial Instruments: Recognition and Measurement — investments, and loans and receivables	Investments are classified as long-term or current. Long-term investments are carried at cost less provision for diminution in value, which is other than temporary. Current investments carried at lower of cost and fair value. Loans and receivables are measured at cost less impairment or provisions.	All the financial assets are as measured at amortised cost or at fair value. Where the assets are measured at fair value, gain and loss are either recognised entirely in profit and loss (FVTPL) or recognised in other comprehensive income (FVTOCI) Equity instruments Except equity instruments that do not have a quoted market price and whose fair value cannot be measured reliably should be classified as measured at fair value through profit or loss (FVTPL). IAS 39 provides an option to irrevocably designate, at initial recognition, equity instruments which are neither held for trading nor are contingent consideration arising from business combination, to measure subsequent changes in fair value in other comprehensive income.	Similar to IFRS

Topic	Indian GAAP	IFRS	Ind AS
Financial Instruments: Recognition and Measurement — impairment	An enterprise should assess the provision for doubtful debts / advances at each period end which is based on the information which is available at the date on which the financial statements are approved and events occurring after the balance sheet date that indicate that an asset may have been impaired, or that a liability may have existed at the balance sheet date Reduction, other than temporary, in the carrying amounts of long term investments, is charged to the profit and loss statement. The reduction in carrying amount is reversed when there is a rise in the value of the investment, or if the reasons for the reduction no longer exist.	A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event(s) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Assets that are individually assessed and for which no impairment exists are grouped with financial assets with similar credit risk statistics and collectively assessed for impairment. Impairment loss shall be recognised to profit and loss account,	The impairment model is based on expected credit losses and it applies equally to debt instrument measured at amortised cost or FVTOCI (the loss allowance is recognised in other comprehensive income and not reduced from carrying amount of financial assets), lease receivables and certain written loan commitments and financial guarantee contracts. Expected credit losses (with the exception of purchased or original credit-impaired financial assets) are required to be measured through a loss allowance at an amount equal to (i) the 12 months expected credit losses or (ii) lifetime expected credit losses, if credit risk has increased significantly since initial recognition of the financial instruments. With respect to trade receivables, loss allowance is measured at lifetime expected credit losses.
Financial Instruments: Recognition and Measurement — derivatives and embedded derivatives	Currently there is no equivalent standard on derivatives except for certain forward exchange contracts within the scope of AS 11. The Mark to Market losses of derivatives not covered under AS 11 are accounted in statement of profit and loss in accordance with Guidance Note on Accounting of Derivative Contracts issued by the ICAI.	Measured at fair values.	Similar to IFRS

Topic	Indian GAAP	IFRS	Ind AS
Financial Instruments: Recognition and Measurement — derivatives and hedge accounting	Currently there is no equivalent standard on hedge accounting except in the case of forward exchange contracts within the scope of AS 11. The additional guidance on recognition and measurement principles is given under the Guidance Note on Accounting of Derivative Contracts issued by the ICAI.	Hedge accounting (recognising the offsetting effects of fair value changes of both the hedging instrument and the hedged item in the same period's profit or loss) is permitted in certain circumstances, provided that the hedging relationship is clearly defined, measurable, and actually effective. IAS 39 provides for three types of hedges: • fair value hedge: if an entity hedges a change in fair value of a recognised asset or liability or firm commitment, the gain or loss on the hedged item attributable to the hedge risk also adjusted to the carrying amount of the hedge item and is recognised in profit or loss; • cash flow hedge: if an entity hedges changes in the future cash flows relating to a recognised asset or liability or a highly probable forecast transaction, The gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in OCI. The amount so recognised in OCI is generally recycled to the profit or loss in the period during which the asset assumed or liability assumed affect profit or loss. . The ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss in the period of such change; and • hedge of a net investment in a foreign entity: this is treated as a cash flow hedge. A hedge of foreign currency risk in a firm commitment may be accounted for as a fair value hedge or as a cash flow hedge.	Similar to IFRS

Topic	Indian GAAP	IFRS	Ind AS
Consolidated Financial Statements — definition of Control	Control is: (a) The ownership, directly or indirectly through a subsidiary (or subsidiaries) of more than one-half of the voting power of an enterprise; or (b) Control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other enterprise so as to obtain economic benefits from its activities.	An investor controls an investee if and only if the investor has all the following: (a) power over the investee (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns	Similar to IFRS
Consolidated Financial Statements — Exclusion of subsidiaries, associates and joint ventures	Excluded from consolidation, if the subsidiary was acquired with intent to dispose of it within twelve months or if it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent.	If the acquisition of a subsidiary meets the criteria to be classified as held for sale in accordance with IFRS 5, it is included in the consolidation but is accounted for under that standard.	Similar to IFRS
Consolidated Financial Statements — Reporting dates	The difference between the reporting date of the subsidiary and that of the parent shall be no more than six months.	The difference between the reporting date of the subsidiary and that of the parent shall be no more than three months.	Similar to IFRS
Consolidated Financial Statements — Uniform accounting policies	Similar to IFRS except if it is impracticable to use uniform accounting policies, that fact should be disclosed together with the proportions of the items in the consolidated financial statements to which different accounting policies have been applied.	A Parent shall prepare consolidated financial statements using uniform accounting policies for like transaction and other events in similar circumstances. No exception is provided.	Similar to IFRS
Consolidated Financial Statements — Non-controlling interests	Minority interests are presented in the consolidated balance sheet separately from liabilities and the equity of the parent's shareholders.	Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent.	Similar to IFRS
Consolidated Financial Statements — Allocation of losses to non-controlling interests	Excess of loss applicable to minority over the minority interest in the equity of the subsidiary and any further losses applicable to minority are adjusted against majority minority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses.	Total comprehensive income/ net income or loss, if presented separately is allocated to owners of the parent and the non-controlling interest even though this results in non-controlling interest having a deficit balance.	Similar to IFRS
Consolidated Financial Statements — Disposals	No specific guidance.	Partial disposal of subsidiary where control is retained is accounted for as an equity transaction, and gain or loss is not recognised. Partial disposal of subsidiary resulting in loss of control triggers re-measurement of the residual holding to fair value. Any difference between the fair value and the carrying value is recognised as gain or loss in profit or loss.	Similar to IFRS

Topic	Indian GAAP	IFRS	Ind AS
Joint Arrangements — Form	AS 27 recognises three forms of joint venture namely: a) jointly controlled operations, b) jointly controlled assets and c) jointly controlled entities	A joint arrangement is either a joint operation or a joint venture. Such classification of joint arrangement depends upon the rights and obligations of the parties to the arrangement and disregards the legal structure. The accounting for joint ventures in the consolidated financial statements is guided by IAS 28, Investments in Associates and Joint Ventures	Similar to IFRS
Disclosure of Interests in Other Entities	No specific guidance. However, AS 21 Consolidated Financial Statements, AS 23, Accounting for Investments in Associates in Consolidated Financial Statements and AS 27, Financial reporting of interests in joint venture require certain disclosures to be made.	IFRS 12 sets out the disclosures required for entities adopting IFRS 10, Consolidated Financial Statements and IFRS 11, Joint Arrangements. It requires entities to disclose information that helps users to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.	Similar to IFRS
Fair Value Measurement	There is no equivalent standard in Indian GAAP.	IFRS 13 establishes a single source of guidance for all fair value measurements. It provides guidance on how to measure fair value under IFRS when fair value is required or permitted by IFRS.	Similar to IFRS
Fair Value Measurement —Fair Value definition	Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.	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	Similar to IFRS
Fair Value Measurement —Fair value hierarchy	No specific guidance.	Fair value hierarchy does not categorise financial assets and financial liabilities. Fair value hierarchy categorises three level inputs to valuation techniques for fair value measurement.	Similar to IFRS

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ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Adani Ports and Special Economic Zone Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated 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") its associate and joint controlled entities, comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated 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 financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate and 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, its associate and 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 control 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 paragraph (a) of the Other Matters 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, the consolidated 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, its associate and jointly controlled entities as at March 31, 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

(i) We draw attention to Note 42 of the financial statements regarding the basis of recognition of project service revenue for the year ended March 31, 2015, as more fully described in the said note.

(ii) We draw attention to Note 39 (u) of the financial statements regarding the 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 benefit on the same, as per provision of section 80IAB of the Income Tax Act, 1961, more fully described 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, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company, its subsidiaries, associate companies and jointly controlled entities incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143 (3) of the Act, we report, 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 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, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate company and jointly controlled companies incorporated in India, none of the directors of the Group's companies, its associate and jointly controlled companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) 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 consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and jointly controlled entities – Refer Note 39 to the consolidated financial statements;

ii. Provision has been made in the consolidated 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 Note 9 to the consolidated financial statements in respect of such items as it relates to the Group, its associate and 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, associate and jointly controlled companies incorporated in India.

Other Matter

The accompanying consolidated financial statements include total assets of ₹ 67,433.4 million as at March 31, 2015 and total revenues and net cash inflows of ₹ 15,899.6 million and ₹ 34.9 million for the year ended on that date, in respect of 10 subsidiaries, which have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Company's share of net profit of ₹ 1.0 million for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of the associate, whose financial statements, other financial information have been audited by other auditors and whose 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 associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such other auditors.

Our opinion on the consolidated 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 and the financial statements and other financial information certified by the Management.

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

per Arpit K Patel
Partner
Membership Number: 34032
Place of Signature: Ahmedabad
Date: May 1, 2015

Annexure referred to in paragraph 1 on other legal and regulatory requirements of our report of even date

The Group, comprising Adani Ports and Special Economic Zone Limited ('Holding Company') and its subsidiaries, joint controlled entities and associate incorporated in India and to whom the provisions of the Order apply (together referred to as "the Covered entities" in this report)

(i) (a) The Holding Company and the Covered entities of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Holding company and Covered entities of the Group have 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 and as reported by the other auditors who audited the financial statements of the aforesaid subsidiaries and associate, 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.

(ii) (a) The inventory of stores and spares, fuel and lubricants has been physically verified by the management of the Holding Company and the Covered entities the during the year. In our opinion and as reported by the other auditors who audited the financial statements of the aforesaid covered entities, the frequency of such physical verification is reasonable.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Holding Company and the Covered entities of the Group and the nature of their business.

(c) The Holding Company and the Covered entities of the Group are maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) (a) The Holding Company has granted loans to fourteen companies covered in the register maintained under section 189 of the Companies Act, 2013. In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest has been regular. The Covered entities of the Group has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Covered entities of the Group and hence not commented upon.

(b) There is no overdue amount of loans granted by the Holding Company to companies, listed in the register maintained under section 189 of the Companies Act, 2013.

(iv) Part of the Holding Company's and Covered entities of the Group purchases of fixed assets and sale of services are stated to be of unique and specialized nature, and hence, in such cases, the comparison of prices with the market rates or with purchases from/sales to other parties cannot be made. Read with the above, In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Holding Company and the Covered entities of the Group and the nature of its businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business of the covered entities of the Group. During the course of our audit and as reported by the other auditors who audited the financial statements / financial information of certain covered entities of the Group, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entities of the Group in respect of these areas.

(v) The Holding Company and the Covered entities of the Group have not accepted any deposits from the public.

(vi) To the best of our knowledge and as explained and as reported by the other auditors who audited the financial statements / financial information of certain covered entities of the Group, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services rendered by the Holding Company and certain Covered entities of the Group. As reported by the other auditors who have audited the financial statements / financial information of certain covered entities of the Group, it is reported that they have broadly reviewed the books of account maintained by those covered entities of the Group, related to the services rendered for Cargo Logistics, Power Distribution Services and aircraft operations, to the extent applicable and relevant, pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. The detailed examination of the same has not been made by us or such other auditors.

(vii) (a) The Holding Company and the Covered entities of the Group and as reported by other auditors who audited the financial statements of certain Covered entities of the Group, are regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable.

(b) According to the information and explanations given to us and as reported by other auditors who audited the financial statements of certain Covered entities of the Group, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, 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 Holding Company and the Covered entities of the Group and as reported by other auditors who audited the financial statements of certain covered entities in the Group, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Name of the statute	Nature of Tax	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Custom Duty	20.0	June 2008	Commissioner of Customs & Central Excise, Ahmedabad
	Custom Duty	1.4	July, 2003	Assistant Commissioner of Customs, Mundra
	Custom Duty	2.5	August, 2007	Deputy Commissioner of Customs, Mundra
	Custom Duty	293.4	FY 2008–09	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Cost recovery charges	61.6	FY 2013-14 & 2014-15	Commissioner of Customs, Mundra
Finance Act, 1994	Service Tax	67.2	December 2004 to March 2006	High Court of Gujarat
	Service Tax	5.6	October 2003 to August 2005	Commissioner (Appeals) Rajkot
	Service Tax	425.1	April 2006 to March 2008	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
	Service Tax	669.6	October 2007 to September 2008	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
	Service Tax	775.4	October 2008 to September 2009	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
	Service Tax	6.1	September 2009 to March 2010	Commissioner of Service Tax, Ahmedabad.
	Service Tax	1.168.4	October 2009 to September 2011	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
	Service Tax	8.7	April 2011 to September 2011	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
	Service Tax	306.4	April 2011 to March 2012	Commissioner of Service Tax, Ahmedabad
	Service Tax	233.6	April 2012 to September 2012	Commissioner / Addl. Commissioner of Service Tax, Ahmedabad
	Service Tax	283.5	October 2012 to March 2013	Commissioner / Joint Commissioner of Service Tax, Ahmedabad
	Service Tax	67.2	April 2004 to August 2009	High Court of Gujarat
Finance Act, 1994	Service Tax	1.5	April 2009 to March 2010	Commissioner of Service Tax, Ahmedabad
	Service Tax	0.2	2010-11	Commissioner of Service Tax, Ahmedabad
	Service Tax	30.5	FY 2002 – 03 to 2009 – 10	Customs, Excise and Service Tax Appellate Tribunal
	Service Tax	26.2	FY 2011 - 12	Commissioner Central Excise, Custom and Service Tax
	Service Tax	17.0	FY 2006-07 to FY 2009-10	Commissioner of Service Tax, New Delhi

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Name of the statute	Nature of Tax	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
	Service Tax	3.0	FY 2010-11	The Assistant Commissioner (Service Tax), Gurgaon
	Service Tax	33.6	FY 2008-09 & 2009-10	Customs, Excise and Service Tax Appellate Tribunal
	Service Tax	452.0	October 2007 to October 2011	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
	Service Tax	27.9	October 2011 to March 2013	Commissioner of Service Tax, Ahmedabad
	Service Tax	38.6	October 2010 to March 2011	Commissioner of Service Tax, Ahmedabad
	Service Tax	27.8	FY 2012-13	Commissioner of Service Tax, Ahmedabad
	Service Tax	22.0	FY 2013-14	Commissioner of Service Tax, Ahmedabad
Indian Stamp Act, 1899	Stamp Duty	4.0	FY 2011-12	Registrar of Rajasthan Tax Board, Ajmer
Income Tax Act 1961	Income Tax	101.5	FY 2008-09	Income Tax Appellate Tribunal
	Income Tax	16.7	FY 2009–10	
	Income Tax	475.9	FY 2010–11	

(d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time to the extent applicable to the Holding Company. According to the information as reported by the other auditor who audited the financial statements of certain Covered Entities of the Group, the provisions of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder are not applicable to those Covered entities of the Group.

(viii) The Holding Company and five of the Covered entities of the Group have no accumulated losses at the end of the financial year and have not incurred cash losses in the current and immediately preceding financial year. However, accumulated losses of three of the Covered Entities of the Group at the end of the financial year are more than fifty percent of its net worth and three of the Covered Entities of the Group has incurred cash losses in current year and one of the Covered Entities of the Group have incurred cash losses in the immediately preceding year. Ten of the Covered entities of the Group have been registered for a period of less than five years and hence, in respect of those entities, we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in the current financial year and in the immediately preceding financial year.

(ix) Based on our audit procedures and as per the information and explanations given by the management and as reported by the other auditor who audited the financial statements/financial information of certain covered entities, of the Group, we are of the opinion that the Covered entities of the Group have not defaulted in their repayment of dues to a financial institution, bank or debenture holders.

(x) According to the information and explanations given to us, the Holding Company has given guarantees for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Holding Company. According to the information and explanations given to us and based on the reports of the other auditors who audited the financial statements / financial information of certain other covered entities of the group, the Covered entities of the Group have not given any guarantee for loans taken by others from bank or financial institutions.

(xi) Based on the information and explanations given to us by the management and the report other auditors who audited the financial statements / financial information of certain covered entities of the Group, term loans were applied for the purpose for which the loans were obtained by the Holding Company and the covered entities of the Group, though idle/ surplus funds which were not required for immediate utilization have been invested in Fixed Deposits and Inter Corporate Deposits.

(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of the other auditors who audited the financial statements / financial information of other covered entities of the group, which we have relied upon, we report that no fraud on or by the Holding Company and the Covered entities of the Group have been noticed or reported during the year.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E
per Arpit K. Patel
Partner
Membership Number: 34032

Place of Signature: Ahmedabad
Date: May 1, 2015

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

PARTICULARS	Notes	As at March 31, 2015 ₹ In million	As at March 31, 2014 ₹ In million
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	4	4,168.2	4,168.2
Reserves and Surplus	5	103,510.5	83,512.8
Sub Total		107,678.7	87,681.0
Minority Interest		1,589.8	1,436.7
NON-CURRENT LIABILITIES			
Long-Term Borrowings	6	138,497.8	112,884.1
Deferred Tax Liabilities (Net)	7	8,590.2	6,744.7
Other Long Term Liabilities	8	7,188.0	7,335.9
Long-Term Provisions	9	2,927.8	3,690.2
Sub Total		157,203.8	130,654.9
CURRENT LIABILITIES			
Short Term Borrowings	10	13,055.5	4,055.5
Trade Payables	11	3,281.0	2,632.3
Other Current Liabilities	12	33,213.7	17,042.4
Short-Term Provisions	9	4,799.4	3,268.8
Sub Total		54,349.6	26,999.0
Total		320,821.9	246,771.6
ASSETS			
NON CURRENT ASSETS			
Fixed assets			
Tangible assets	13	178,076.6	130,095.4
Intangible assets	13	1,195.1	1,130.9
Capital work-in-progress	36	12,755.5	20,248.3
		192,027.2	151,474.6
Goodwill on consolidation		25,997.2	403.5
Non-current investments	14	573.5	574.8
Deferred Tax Assets (net)	7	-	1.0
Loans and Advances	15	24,901.3	30,928.0
Trade Receivables	18	4,388.6	5,043.0
Other Non-Current Assets	19	5,025.5	3,894.5
Sub Total		252,913.3	192,319.4
CURRENT ASSETS			
Current Investments	16	2,028.7	59.4
Inventories	17	2,591.9	1,694.4
Trade Receivables	18	12,877.7	9,232.6
Cash & Bank Balances	20	6,337.8	5,139.2
Loans and Advances	15	37,438.0	32,399.0
Other Current Assets	19	6,634.5	5,927.6
Sub Total		67,908.6	54,452.2
Total		320,821.9	246,771.6
Summary of significant accounting policies.	3.1		

The accompanying notes are 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
Chartered Accountants

per Arpit K. Patel
Partner

Membership No. 34032

Place : Ahmedabad
Date : May 01, 2015

For and on behalf of the Board of Directors

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

Rajesh S. Adani
[Director]
DIN : 00006322

Sudipta Bhattacharya
[Wholetime Director]
DIN : 06817333

B Ravi
[Chief Financial Officer]

Dipti Shah
[Company Secretary]

Place : Ahmedabad
Date : May 01, 2015

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

PARTICULARS	Notes	For the Year ended March 31, 2015 ₹ In million	For the Year ended March 31, 2014 ₹ In million
Revenue from Operations	**21**	61,519.8	48,296.1
Other Income	**22**	6,856.4	6,847.7
Total Revenue		68,376.2	55,143.8
Expenses			
Operating Expenses	**23**	16,562.1	14,866.0
Employee Benefits Expense	**24**	2,371.6	1,616.1
Finance Costs	**26**	11,750.6	9,767.6
Depreciation and Amortization Expense (Refer note 3.1(a)(ii))	**13**	9,116.8	6,494.8
Other Expenses	**25**	3,563.0	2,621.9
Total Expenses		43,364.1	35,366.4
Profit before tax		25,012.1	19,777.4
Tax Expense:			
- Current Tax (MAT) (Refer note 33)		5,392.0	4,783.2
- MAT Credit Entitlement (Incl. additional MAT credit, refer note 39 (u))		(5,267.3)	(3,873.7)
- Excess provision of earlier years written back		(312.9)	-
- Deferred Tax Charge		1,955.4	1,457.9
Profit for the year		23,244.9	17,410.0
Less:- Share of minority shareholders in profit of subsidiaries		(101.6)	(13.6)
Net Profit		23,143.3	17,396.4
Basic and Diluted Earning per Equity Share (in ₹) face value of ₹ 2 each	**27**	11.18	8.45
Summary of significant accounting policies.	**3.1**		

The accompanying notes are 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
Chartered Accountants

per Arpit K. Patel
Partner

Membership No. 34032

Place : Ahmedabad
Date : May 01, 2015

For and on behalf of the Board of Directors

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

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B Ravi
[Chief Financial Officer]

Dipti Shah
[Company Secretary]

Place : Ahmedabad
Date : May 01, 2015

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Consolidated Cash flow Statement for the year ended March 31, 2015

	Particular	For the year ended March 31, 2015 ₹ In million	For the year ended March 31, 2014 ₹ In million
A	**Cash Flow from Operating Activities**		
	Net profit before tax	25,012.1	19,777.4
	Adjustments for :	9,116.8	
	Depreciation and amortisation expense	(422.7)	6,494.8
	Unclaimed liabilities / excess provision written back	0.2	(64.3)
	Amortised cost of land leased	(408.9)	3.5
	Amortisation of Amounts Received under long term land lease/		(382.6)
	infrastructure usage agreements	11,669.2	
	Finance Cost	(1.9)	6,592.5
	Service Line Contribution amortized during the year	555.7	(5.6)
	Unrealised Foreign Exchange (Gain) / Loss Unrealised	81.4	535.0
	derivative (Gain) / Loss	49.6	2,989.5
	Provision for doubtful debts	(6,010.4)	-
	Interest Income	(112.4)	(5,441.9)
	Dividend Income from long term and current investments	-	(136.1)
	(Profit)/Loss on sale of Fixed Assets		(1,103.5)
	Operating Profit before Working Capital Changes	39,528.7	29,258.7
	Adjustments for :		
	Decrease/(Increase) in Trade Receivables	534.1	(6,259.6)
	(Increase) in Inventories	(661.9)	(714.9)
	(Increase) in Other Current Assets (Increase)/Decrease in	(2,403.8)	(129.4)
	Other Non Current Assets (Increase) in Long term Loans	(1,083.3)	275.9
	and Advances (Increase) in Short term Loans and	(805.6)	(2,482.0)
	Advances Increase in Provision	(17.8)	(261.9)
	(Decrease)/Increase in Trade Payables	130.4	67.7
	Increase/(Decrease) in Other Current Liabilities	(631.8)	933.3
	(Decrease)/Increase in Long Term Liabilities **Cash**	933.9	(5,948.8)
	Flow Generated from Operations	(4.6)	1,779.9
	Direct Taxes (paid) / Refund (Net)	35,518.3	16,518.9
	Net Cash from Operating Activities	(4,868.2)	(5,199.9)
		30,650.1	11,319.0
	Cash Flow from Investing Activities		
B	Purchase of Fixed Assets including Capital Work in Progress Payment		
	towards acquistion of subsidiary	(18,010.2)	(12,460.4)
	Proceed from sale of non current investment	(22,426.9)	-
	Proceed from sale of Investments	1.3	196.0
	Purchase of Investments in Mutual Fund Proceed from	-	12,403.6
	sale of Investments in Mutual Fund Inter-corporate	(105,563.2)	(50,580.1)
	deposit/ loans given	103,593.9	51,965.8
	Inter-corporate deposit/ loans received back	(19,289.6)	(40,496.3)
	Proceeds from / (Deposits in)Fixed Deposits with a maturity period of more than	21,212.8	13,702.9
	90 days (net)	2,311.3	(3,266.8)
	Capital Advance received back		
	Proceeds from sale of fixed assets	5,550.0	-
	Dividend Income	170.9	1,438.7
	Interest Received	112.4	136.1
	Net Cash Flow used in Investing Activities	7,406.6	1,860.2
		(24,930.7)	(25,100.3)

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Consolidated Cash flow Statement for the year ended March 31, 2015

	Particular	For the year ended March 31, 2015 ₹ In million	For the year ended March 31, 2014 ₹ In million
C	**Cash Flow from Financing Activities**		
	Receipt of Long Term Borrowings	51,055.4	13,803.4
	Repayment of Long Term Borrowings	(47,084.5)	(7,169.2)
	Receipt of Short Term Borrowings	14,773.8	5,053.4
	Repayment of Short Term Borrowings	(5,966.0)	(5,143.5)
	Inter-corporate deposit received Inter-	-	5,705.0
	corporate deposit refund Interest &	-	(5,805.0)
	Finance Charges Paid Proceeds from issue	(12,775.2)	(6,360.3)
	of equity shares Payment of Share issue	-	10,158.8
	expenses Payment of dividend	-	(97.6)
	Payment of dividend distribution tax	(2,070.1)	(2,070.1)
	Service Line Contribution received Inflow	(351.8)	(351.8)
	from Minority Shareholder	0.9	1.9
	Net Cash Flow from Financing Activities	51.2	-
	Net Increase in Cash and Cash Equivalents (A+B+C) Cash	(2,366.3)	7,725.0
D	**and Cash Equivalents at start of the year**	3,353.1	(6,056.3)
E	**Cash and Cash Equivalents on acquisition of subsidiary Cash**	1,501.7	7,558.0
F	**and Cash Equivalents at close of the year**	0.1	-
G		4,854.9	1,501.7
	Components of Cash & Cash Equivalents		
H	Cash on Hand		
	Cheques/drafts on hand	1.3	1.0
	Balances with Scheduled Banks	1,000.0	-
	- On Current Accounts		
	- On Current Accounts Earmarked for unpaid dividend and share	696.6	865.3
	application refund money	10.4	14.1
	- On Fixed Deposit Accounts		
	Cash and Cash Equivalents at close of the year (refer note 20)	3,146.6	621.3
I		4,854.9	1,501.7

Summary of Significant Accounting Policies **3.1**

Notes:

1 The Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard-3 on Cash Flow Statements notified by Company Accounting Standard Rules, 2006

2 Previous year's figures have been regrouped where necessary to confirm to this year's classification.

3 In the previous year ended March 31, 2014, the Company had converted interest bearing loan of ₹ 2,480.0 million given to a fellow subsdiary entity (of which ₹ 540.0 million were given in earlier year) and interest bearing loan of ₹ 3,070.0 million given to a third party into capital advance. Thus, the impact of this had not been given in the cash flow statement above.

As per our report of even date

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

per Arpit K. Patel
Partner
Membership No. 34032

Place: Ahmedabad
Date : May 01, 2015

For and on behalf of the Board of Directors Firm

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

Rajesh S. Adani
[Director]
DIN : 00006322

Sudipta Bhattacharya
[Wholetime Director]
DIN : 06817333

B Ravi
[Chief Financial Officer]

Dipti Shah
[Company Secretary]

Place: Ahmedabad
Date : May 01, 2015

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Notes to the Consolidated Financial Statements for the Year ended March 31, 2015

1 Corporate information

Adani Ports and Special Economic Zone Limited ('the Company', 'APSEZL') is in the business of development, operations and maintenance of port infrastructure has linked multi product Special Economic Zone (SEZ) and related infrastructure contiguous to Mundra port. The initial port infrastructure facilities at Mundra including expansion thereof through development of additional terminals and south port 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. 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, Mundra to handle coal cargo. The said agreement is in the process of getting signed with GoG and GMB although the part of the Coal terminal at Wandh is recognised as commercially operational w.e.f. February 1, 2011.

The Container terminal facilities (CT-1) initially developed by the Company was transferred under sub-concession agreement between Mundra International Container Terminal Limited (MICTL) (erstwhile Adani Container (Mundra)Terminals Limited) and APSEZL entered into, on January 7, 2003 wherein APSEZL has given rights to MICTL to handle the container cargo for a period of 28 years i.e. up to February 17, 2031. Similarly container facilities developed as 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 sub-concession agreement is pending to be concluded with GOG and GMB.

The Multi Product Special Economic Zone at Mundra is developed by the Company as per approval of Government of India vide their letter no. F-2/11/2003/EPZ dated April 12, 2006 as amended from time to time till date. The Company has also taken approval of Ministry of Commerce and Industry to set up Free Trade and Warehousing Zone vide letter no. F.1/16/2011-SEZ dated January 04, 2012. Subsequent to year end, the Company has received approval from Ministry of Commerce and Industry for setting up of additional Multi Product Special Economic Zone at Mundra taluka over an area of 1,856 hectares.

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 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 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 (KAPL – erstwhile Gujarat Adani 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 port infrastructure facilities of bulk cargo at Dahej, (Gujarat).

vi) Adani Murmugao Port Terminal Private Limited, a 74% 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 Mundra, district Kutch (Gujarat).

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) Hazira Road Infrastructure Private Limited, a step down subsidiary of APSEZL, a 100% subsidiary of Adani Hazira Port Private Limited has plan to develop and operate road and highway project subject to approval of local authority, State Government and National Highway Authority of India.

xi) Adinath Polyfills Private Limited - the Company has strategically acquired the entity with full controlling interest.

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 International Container Terminal Private Limited, is a 50% joint venture of APSEZL. The Company is engaged in operating container terminal based on sub concession from APSEZL and associated facilities at Mundra South Zone.

xiv) Adani Kandla Bulk Terminal Private Limited, is a 74% subsidiary of APSEZL. The Company has developed a Dry Bulk terminal off Tekra near Tuna outside Kandla creak at Kandla Port.

xv) Adani Warehousing Services Private Limited, is a 100% subsidiary of APSEZL. The Company is formed to provide warehousing / storage facilities and other related services.

xvi) 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.

xvii) Adani Hospitals Mundra Private Limited, is a 100% subsidiary of APSEZL. The Company is formed to provide hospital and related services at Mundra.

xviii) The Company has acquired the 100% Equity share in The Dhamra Port Company Limited ("DPCL"), consequently DPCL has become wholly owned subsidiary of the Company w.e.f. June 23, 2014. It is operating bulk cargo port at Dhamra in the state of Odisha.

xix) Adani CMA Mundra Terminal Private Limited, a 50:50 joint venture company with CMA Terminal, France, was incorporated on July 30, 2014 for development of container terminal.

xx) Mundra Solar Technopark Private Limited., is a 100% subsidiary of APSEZL. The Company is formed to provide an objective for development of Electronic Manufacturing Cluster to provide world class infrastructure for attracting investments in the electronics systems Design and Manufacturing (ESDM) sector at Mundra.

2. **Principles of consolidation**

The Consolidated financial statements relate to the Adani Ports Group which comprises the financial statements of APSEZL and its subsidiaries, associates and joint venture as at March 31, 2015. In the preparation of consolidated financial statements, investment in the subsidiaries, associates and joint venture have been accounted for in accordance with Accounting Standard (AS) 21 - 'Consolidated Financial Statements', AS 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements' and AS 27 - 'Financial Reporting of Interests in Joint Ventures', as notified accounting standard by Companies Accounting Standards Rules, 2006 (as amended). Consolidated financial statements have been prepared on the following basis:

i) Subsidiaries are fully consolidated from the date of acquisition and incorporation, being the date on which the Group obtains control, and continues to be consolidated until the date that such control ceases (including through voting rights). Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions. The unrealized profits resulting from intra-group transactions that are included in the carrying amount of assets are eliminated in full. Unrealized losses resulting from intra-group transactions that are deducted in arriving at the carrying amount of assets are also eliminated unless cost cannot be recovered.

ii) The excess of the cost to the Company of its investment in subsidiaries over the Company's portion of equity on the acquisition date is recognized in the financial statements as goodwill and is tested for impairment annually. When there is excess of Company's portion of equity of the Subsidiary over the cost of the investment then it is treated as Capital Reserve.

iii) Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the statement of profit and loss and consolidated balance sheet, separately from parent shareholders' equity. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the Parent Company.

iv) The difference of the proceed from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of profit and loss being the profit or loss on disposal of investment in subsidiary.

v) Financial statements of the subsidiaries, joint venture and associates are prepared for the same reporting year as the parent company, using consistent accounting policies. As far as possible, the consolidated financial statements have been prepared using uniform accounting policies, consistent with the Company's stand-alone financial statements for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements. Any deviation in accounting policies is disclosed separately.

vi) In case of associates where the Company has significant influence or hold directly or indirectly through subsidiaries 20% or more of equity shares, investment in associates are accounted for using equity method in accordance with AS 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements', as notified accounting standard by Companies Accounting Standards Rules, 2006 (as amended). The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates in the statement of profit and loss. The difference between the cost of investment in the associates and the share of net assets, at the time of acquisition of shares in the associates, is identified in the financial statements as Goodwill or Capital Reserve, as the case may be.

vii) In case of joint venture, the interest in the assets, liability, income and expense are consolidated using proportionate consolidation method. Intra group balances, transactions and unrealized profit / losses are eliminated to the extent of companies proportionate share.

viii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

3. **Basis of Preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 read with paragraph 7 of the Companies (Accounts) Rule 2014. The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for the change in accounting policy explained below.

3.1 **Summary of Significant Accounting Policies**

a) **Change in Accounting Policy**

i) **Depreciation on Fixed Assets**

Till the year ended March 31, 2014, schedule XIV of the Companies Act, 1956, prescribed requirements concerning depreciation of Fixed Assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in following changes related to depreciation of fixed assets unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

ii) **Useful lives and depreciation rates**

Till the year ended March 31, 2014, depreciation rates prescribed under schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rate were justified by the estimated useful life of the asset.

Schedule II of the Companies Act, 2013 prescribes useful lives of the fixed assets which, in many cases are different from the lives prescribed under erstwhile schedule-XIV. However, Schedule II allows companies to use higher/lower lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements

Considering the applicability of Schedule II, the management has internally reestimated and changed, wherever necessary the useful lives and residual values of fixed assets to conform to the requirement of the Companies Act, 2013 and other consideration as applicable. In respect of intangibles, management has reestimated useful life of software applications from 3 years to 5 years to compute depreciation,

Due to this change in useful lives and residual value of assets (including intangibles), the depreciation charge of ₹ 217.1 million (net of deferred tax) has been recognised in the opening balance of retained earning for the assets where estimated remaining useful lives was nil as at April 01, 2014 , and the depreciation charge is higher by ₹ 471.5 million (net) for the year ended March 31, 2015.

iii) **Depreciation on costing less than ₹ 5,000/-**

Till year ended March 31,2014, to comply with the requirements of Schedule XIV to the Companies Act,1956, the Company was charging 100% depreciation on assets costing less than ₹ 5000/- in the year of purchase. However Schedule II of the Companies Act,2013 applicable form the current year, does not recongnise such practice. Hence, to comply with the requirement of Schedule II to the Companies Act,2013, the Company has changed it's accounting policy for depreciation of assets costing less than ₹ 5000/-. As per the revised policy, the Company has depreciated such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy from accounting period commencing on or after April 01,2014.

The change in accounting for depreciation of assets costing less than ₹ 5000/- did not have any material impact on financial statements of the Company for the current year.

b) **Use of estimates**

The preparation of consolidated financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) **Tangible Fixed Assets**

i) Fixed assets are stated at cost net of accumulated depreciation and impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalisation criteria are met directly attributable cost of bringing the asset to its working condition for its intended use. 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.

ii) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

iii) The company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining useful life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long term foreign currency monetary items pertaining to acquisition of a depreciable asset, for a period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference. The depreciation on such foreign exchange difference is recognised from the first day of the financial year.

iv) Gains or losses arising from derecognition/ sale proceeds of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

v) Insurance spares are capitalised as part of mother assets.

d) **Expenditure on new projects and substantial expansion**

Expenditure directly relating to construction / development activity (net of income, if any) is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is directly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto, is charged to the consolidated statement of profit and loss.

e) **Depreciation on tangible fixed assets**

i) Depreciation on fixed asset is calculated on Straight Line Method (SLM) based on the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013 except for the assets mentioned in para (ii) below for which useful lives estimated by the management.

ii)

Assets	Estimated Useful Life
Leasehold Land – Right to Use	Over the balance period of Concession Agreement.
Leasehold Land Development	Over the balance period of Concession Agreement or Sub- 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
Carpeted Roads	10 Years
Tugs	20 Years as per concession agreement

iii) Insurance spares, whose use is expected to be irregular, are depreciated prospectively over the remaining useful lives of the respective mother assets.

At the end of the sub -concession agreement and supplementary concession agreement, all contracted immovable and movable assets shall be transferred to and shall vest in Grantor (government authorities/port trust authorities). In cases, where company is expected to receive consideration of residual value from grantor at the end of concession period, the residual value of contracted immovable and movable assets is considered as the remaining value at the end of concession period based on estimated life of assets as per concession agreement and in other cases it is Nil.

f) **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on straight line basis over their estimated useful lives as follows:

Intangible Assets	Estimated Useful Life (Years)
Goodwill arising on the amalgamation of Adani Port Limited	Over the balance period of Concession Agreement computed from the Appointed Date of the Scheme of Amalgamation i.e. 28 years.
Software applications	5 Years based on management estimate.
License Fees paid to Ministry of Railway (MOR) for approval for movement of Container Trains	Over the license period of 20 years.
Right of use to develop and operate the port facilities	Over the balance period of Sub-Concession Agreement.

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 recognized in the consolidated statement of profit and loss when the asset is derecognized.

g) **Impairment of tangible and intangible assets**

i) The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. The asset's recoverable amount is the higher of the asset's or cash generating unit's (CGU), net selling price and value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other asset or groups of assets. Where 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 assessment of the time value of money and risks specific to the asset. In determining net selling price, relevant market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

h) **Borrowing Costs**

Borrowing cost includes interest & amortization of ancillary costs incurred in connection with the arrangement of borrowings over the loan period.

Borrowing costs directly attributable to the acquisition or construction of an assets that necessarily takes substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.

i) **Leases**

Where the Company is the lessee

Finance leases including rights of use in leased land, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the 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 as finance cost in the statement of profit and loss.

A leased asset is depreciated / amortised on a straight line basis over the useful life of the asset. However, If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized leased assets is depreciated /amortised on a straight line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, wherein the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statement of profit and loss on a straight- line basis over the lease term.

Where the Company is the lessor

Leases including rights to use in leased / sub leased land in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, lease rentals are apportioned between principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The principal amount received reduces the net investment in the lease and interest is recognized as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the consolidated statement of profit and loss.

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognized in the consolidated statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the consolidated statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the consolidated statement of profit and loss.

j) **Investments**

Investments, which are readily realizable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long - term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long - term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k) **Inventories**

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

Costs incurred that relate to future activities on the contracts are recognised as "Project Work in Progress".
Project work in progress comprising construction costs and other directly attributable overheads 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) **Government Grant**

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

m) **Contribution for Services**

In case subsidiary, Mundra Utilities Private Limited, the initial/upfront contributions received from the customers against power connection are recognized as capital receipts and accounted as Capital Reserve. Subsequently, the amounts are amortised over the life of the assets and adjusted from depreciation charge in the statement of profit & loss

During the year, the subsidiary company has received ₹ 0.9 million (Previous year ₹ 1.9 million as contribution).

n) **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. The following specific recognition criteria must also be met before revenue is recognised:

i) **Port Operation Services/Multi-Model cargo storage cum logistic service**

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 the service performed. Revenue on take-or-pay charges are recognized for the quantity that is the difference between annual agreed tonnage and actual quantity of cargo handled. The amount recognised as a revenue is exclusive of service tax and education cess where applicable.

Income in the nature of license fees / royalty is recognised as and when the right to receive such income is established as per terms and conditions of relevant agreement.

ii) **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 recognises the income based on the principles of leases as per Accounting Standard – 19, 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 recognised 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 recognised on an accrual basis. In cases where land lease / sub-lease transaction are non-cancellable in nature, the income is recognised 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 recognised 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. In case of Subsidiary Mundra SEZ Textile and Apparel Park Private Limited (MITAP), the upfront premium received/receivable under Long Term Leases/Infrastructure Usage Agreement is recognized as income pro-rata over the period of sub-lease agreement. (The income of MITAP in the books of APSEZL constitutes 3.03% of the total unamortized amount under Long Term Lease/Infrastructure Usage Agreements.)

iii) **Deferred Infrastructure Usage**

Income from infrastructure usage fee collected on upfront basis from the customers is recognised over the balance contractual period on straight line basis.

iv) **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 reliably, revenue is recognised 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.

v) **Non Scheduled Aircraft Services**

Revenue from chartered services is recognized when the service is performed under contractual obligations.

vi) **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.

vii) **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.

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 recognised based on milestones reached under the contract.

viii) **Interest**

Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate. Interest income on land leases is included under the head "Revenue from operations" and other interest income is included under the head "Other income". Interest income also include interest earned from multi year payment terms with customers and is included under the head "Other income".

ix) **Dividends**

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

o) **Foreign Currency Translation**

i) **Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) **Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date . Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii) **Exchange Differences**

a) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

b) Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

c) All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of (a) and (b) above, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 09, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

iv) **Forward Exchange Contracts entered into to hedge foreign currency risk of an existing asset/ liability**

The premium or discount arising at the inception of forward exchange contracts and recognised is amortized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long term foreign currency monetary items, are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the period. Any gain/loss arising on forward contracts which are long term foreign currency monetary items is recognized in accordance with paragraph (iii) above.

v) **Derivative transactions**

The Company uses derivative financial instrument, such as principal only swap i.e. INR to foreign currency to take advantage of lower interest rate of foreign currency borrowings and foreign currency forward contract to hedge foreign currency risk arising from future transactions in respect of which firm commitment are made or which are highly probable forecast transactions. In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored. Derivative (gain)/loss are included under head "Finance Costs".

p) **Retirement and Other Employee Benefits**

i) **Provident fund and superannuation fund**

Retirement benefits in the form of Provident Fund and Superannuation Fund Schemes are defined contribution schemes and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due when an employee renders the related service. There are no other obligations other than the contribution payable to the respective funds.

ii) **Gratuity**

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has taken an insurance policy under the Group Gratuity Scheme with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees.

iii) **Leave Benefits**

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The Company measure the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimated leave 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.

iv) **Actuarial Gains/ Losses**

Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

q) **Income Taxes**

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

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. The Company is eligible and claiming tax deductions available under section 80IAB of the Income Tax Act, 1961 w.e.f FY 2007-08. Some of the subsidiaries are eligible for section 80IA benefits.

In view of Company availing tax deduction under Section 80IAB/80IA of the Income Tax Act, 1961, deferred tax has been recognized in respect of timing difference, which reverse after the tax holiday period in the year in which the timing difference originate. For recognition of deferred taxes, the timing difference which originate first are considered to reverse first. Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has carry forward unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

r) **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference share dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s) **Provisions**

A provision is recognized when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on best management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best management estimates.

t) **Segment Reporting Policies**

i) **Identification of segments:**

The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services, the risk and return profile of individual business unit, the organisational structure and internal reporting system of the Group. The analysis of geographical segments is based on the geographical location of the customers.

ii) **Inter segment transfers:**

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

iii) **Unallocated Items:**

Includes general corporate income and expense items which are not allocated to any business segment.

u) **Cash and Cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

v) **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liabilities but discloses it's existence in the financial statement.

4. **Share capital**

	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Authorized shares		
50,00,000 (Previous Year 50,00,000) 0.01% Non Cumulative Redeemable Preference Shares of ₹ 10 each	50.0	50.0
4,97,50,00,000 (Previous Year 4,97,50,00,000) Equity Shares of ₹ 2 each	9,950.0	9,950.0
	10,000.0	10,000.0
Issued, subscribed and fully paid-up shares		
28,11,037 (Previous Year 28,11,037) 0.01% Non-Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up (Redeemable at a premium of ₹ 990 per Share on March 28, 2024).	28.1	28.1
2,07,00,51,620 (Previous Year 2,07,00,51,620) fully paid up Equity Shares of ₹ 2 each.	4,140.1	4,140.1
Total issued, subscribed and fully paid-up share capital	4,168.2	4,168.2

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Preference Shares	March 31, 2015		March 31, 2014	
	No.	₹ In million	No.	₹ In million
At the beginning of the year	28,11,037	28.1	2,811,037	28.1
Outstanding at the end of the year	28,11,037	28.1	2,811,037	28.1

Equity shares	March 31, 2015		March 31, 2014	
	No.	₹ In million	No.	₹ In million
At the beginning of the period	2,070,051,620	4,140.1	2,003,394,100	4,006.8
Issued during the year	-	-	6,66,57,520	133.3
Outstanding at the end of the period	2,070,051,620	4,140.1	2,070,051,620	4,140.1

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The final dividend recommended by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

For the current financial year 2014-15 the amount of proposed dividend per share distribution to equity shareholders is ₹ 1.10 (for the previous financial year dividend per share ₹ 1.00).

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

c. **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 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 ₹ 2,782.9 million (equivalent to ₹ 990.00 per share). The Company credits the redemption premium on proportionate basis every year to Preference Share Capital Redemption Premium Reserve and debits the same to Securities Premium Account as permitted by Section 52 of the Companies Act, 2013.
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.

d. **Shares held by holding/ultimate holding company and/or their subsidiaries/associates**

Out of equity shares issued by the Company, shares held by its holding company, are as below:

	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Adani Enterprise Limited, the holding company		
1,55,23,61,640 equity shares of ₹ 2 each fully paid (Previous year 1,55,23,61,640 equity share) (Also Refer Note 46)	3,104.7	3,104.7

e. **Details of shareholders holding more than 5% shares in the company**

	March 31, 2015		March 31, 2014	
	No.	**% Holding in the Class**	No.	% Holding in the Class
Equity shares of ₹ 2 each fully paid				
Adani Enterprises Limited, holding company	**1,55,23,61,640**	**74.99%**	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%
Priti G Adani	**5,00,365**	**17.80%**	5,00,365	17.80%
Shilin R Adani	**5,00,364**	**17.80%**	5,00,364	17.80%
Pushpa V Adani	**5,00,365**	**17.80%**	5,00,365	17.80%
Ranjan V. Adani	**5,00,455**	**17.80%**	5,00,455	17.80%
Suvarna M. Adani	**5,00,275**	**17.80%**	5,00,275	17.80%
	28,11,037	**100.00%**	28,11,037	100.00%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

5. **Reserves and surplus**	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Securities Premium Account		
-Preference		
Balance as per the last consolidated financial statements	1,391.6	1,530.7
Less: transferred to Preference Share Capital Redemption Premium Reserve	(139.1)	(139.1)
Closing Balance	1,252.5	1,391.6
-Equity		
Balance as per the last consolidated financial statements	26,601.4	16,673.5
Add : Premium on issue of shares	-	9,865.3
Add : Premium on shares issued by joint venture entity	-	160.2
Less: Amount utilised towards share issue expenses	-	(97.6)
Closing Balance	26,601.4	26,601.4
Debenture Redemption Reserve		
Balance as per the last consolidated financial statements	1,204.5	653.5
Add: transferred from balance in the consolidated profit and loss balance	3,686.8	691.0
Less: transferred to General Reserve	(897.5)	(140.0)
Closing Balance	3,993.8	1,204.5
Capital Redemption Reserve		
Balance as per the last consolidated financial statements	14.0	12.6
Add: transferred from surplus balance in the consolidated statement of profit and loss	1.4	1.4
Closing Balance	15.4	14.0
Capital Reserve		
Government Grant		
Balance as per the last consolidated financial statements Add :	228.3	228.3
Government grant received during the year	-	-
	228.3	228.3
Initial Contribution for Services - MUPL		
Balance as per the last consolidated financial statements	61.3	65.0
Add/(Less) : Contribution during the year	0.9	1.9
Less : transferred to consolidated statement of profit and loss	(1.9)	(5.6)
	60.3	61.3
Closing Balance	288.6	289.6
Preference Share Capital, Redemption Premium Reserve		
Balance as per the last consolidated financial statements	1,391.4	1,252.3
Add : transferred from Securities Premium Account	139.1	139.1
Closing Balance	1,530.5	1,391.4
General reserve		
Balance as per the last consolidated financial statements	10,124.9	7,968.7
Add : transferred from surplus balance in the consolidated statement of profit and loss	2,183.1	2,016.2
Add : transferred from Debenture Redemption Reserve	897.5	140.0
Closing Balance	13,205.5	10,124.9
Foreign Currency Monetary Item Translation Difference Account		
Balance as per the last consolidated financial statements	(1,839.9)	(604.2)
Add : foreign currency exchange gain / (loss) during the year	(770.1)	(1,768.6)
Less : amortised in consolidated statement of profit and loss	583.3	532.9
Closing Balance	(2,026.7)	(1,839.9)

Surplus in the consolidated statement of profit and loss		
Balance as per the last consolidated financial statements	44,335.3	32,147.4
Profit for the year	23,143.3	17,396.4
	67,478.6	49,543.8
Less: Appropriations		
Dividend on Preference Shares	*-	*-
Tax on Dividend on Preference Shares (including surcharge)	*-	*-
Proposed final dividend on Equity Shares	2,277.1	2,136.7#
Tax on Dividend (including surcharge)	463.6	363.1#
Transfer to Capital Redemption Reserve	1.4	1.4
Transfer to General Reserve	2,183.1	2,016.2
Transfer to Debenture Redemption Reserve	3,686.8	691.0
Depreciation charged to Retained Earning (net of deferred tax) (Refer Note3.1(a)(ii))	217.1	-
Net Surplus in the consolidated statement of profit and loss	58,649.5	44,335.3
* Figures being nullified on conversion to ₹ in million.		
Total reserves and surplus	103,510.5	83,512.8

(During the previous year, proposed final dividend on equity shares and tax on dividend includes ₹ 66.7 million and ₹ 11.3 million respectively, relating to additional equity share issued under institutional placement program.)

6. **Long-term borrowings**

	Non-current portion		Current maturities	
	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Debentures				
9,890 (previous year 9890) 10.50% Secured Non Convertible Redeemable Debenture of ₹ 10,00,000 each (Redeemable at three annual equal installments commencing from February 25, 2021 (secured)	9,890.0	9,890.0	-	-
5,100 (previous year NIL) 10.15% Secured Non Convertible Redeemable Debenture of ₹ 10,00,000 each (Redeemable at 3 semi annual equal installments commencing from Sept. 16, 2016 (secured)	5,100.0	-	-	-
5,000 (previous year NIL) 9.60% Secured Non Convertible Redeemable Debenture of ₹ 10,00,000 each (Redeemable at par on June 20, 2016) (secured)	5,000.0	-	-	-
5,000 (previous year NIL) 10.05% Secured Non Convertible Redeemable Debenture of ₹ 10,00,000 each (Redeemable at 3 quarterly equal instalment of ₹ 1000 million commencing from September 18, 2015 and ₹ 2000 million payable on June 15, 2016 (secured)	2,000.0	-	3,000.0	-
10,000 (previous year NIL) 9.80% Secured Non Convertible Redeemable Debenture of ₹ 10,00,000 each (Redeemable at 3 quarterly equal installments of ₹ 2000 million commencing from September 18, 2015 (secured) and 1 instalments of ₹ 4000 million payable on June 18, 2016 (Secured)	4,000.0	-	6,000.0	-
7,750 (previous year 7,750) 10.50% Secured Non Convertible Redeemable Debenture of ₹ 10,00,000 each (Redeemable at 40 quarterly equal installments commencing from December 27, 2012 , 10 instalments paid till March 31, 2015) (secured)	5,810.0	6,450.0	640.0	590.0
Nil (previous year 3000) 11.2% Secured Non Convertible Redeemable Debenture of ₹ 10,00,000 each (secured)	-	3,000.0	-	-

Term loans				
Foreign currency loans:				
From banks (secured) From	60,288.5	68,479.9	9,583.2	3,661.2
banks (unsecured)	147.5	205.3	36.9	41.1
From other financial institutions (secured)	8,916.6	9,090.1	565.7	471.9
Rupee Term Loan from Banks (secured)	37,311.9	15,178.1	1,755.7	3,291.8
Rupee Term Loan from Banks (unsecured)	-	-	-	1,250.0
Rupee Term Loan from others (unsecured)	33.3	19.7	-	-
Suppliers bills accepted under foreign currency letters of credit				
From banks (secured)	-	571.0	4,177.7	2,396.8
From banks (unsecured)	-	-	-	697.4
	138,497.8	112,884.1	25,759.2	12,400.2
The above amount includes				
Secured borrowings	138,317.0	112,659.1	25,722.3	10,452.8
Unsecured borrowings	180.8	225.0	36.9	1,988.5
Amount disclosed under the head "other current liabilities" (note 12)	-	-	(25,759.2)	(12,400.2)
Net amount	138,497.8	112,884.1	-	-

1 Debentures include Secured Non-Convertible Redeemable Debentures amounting to ₹ 19,990.0 million (previous year ₹ 12,890.0 million) are secured by first Pari-passu charge on all the immovable and movable assets of Multi-purpose, Terminal-II and Container Terminal –II project assets & first specific charge over land (valued at market value)

2 Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 6,450.0 million (previous year ₹ 7,040.0 million) 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.

3 Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 10,000 million (previous year NIL) are secured by first specific charge over 138 hectares land situated at Navinal Island, Mundra Taluka, Kutch District, Gujarat. (valued at market value)

Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 5,000 million (previous year NIL) are secured by first specific charge over 79 hectares land situated at Mundra Taluka, Kutch District, Gujarat. (valued at market value) .

4 Foreign currency loan aggregating to ₹ NIL million (previous year ₹ 576.4 million) carried interest @ 6M Libor plus basis point in range of 165 to 315. The loan was secured by exclusive charge on the Dredgers

5 Foreign currency loan aggregating to ₹ 2,558.4 million (previous year ₹ 3,737.4 million) carries interest @ 6M Euribor plus basis point in the rage of 95 to 140. Further, out of the above loan ₹ 2,226.5 million is repayable in 15 semi-annual installments of approx. ₹ 148.4 million, loan ₹ 237.0 million is repayable in 4 semi-annual equal installments of ₹ 59.2 million, ₹ 94.9 million is repayable in 3 semi-annual equal installment of ₹ 31.6 million from the balance sheet date. The loan is secured by exclusive charge on the Dredgers procured under the facility.

6 Foreign Currency loan aggregating to ₹ 309.4 million (previous year ₹ 444.9 million) carries interest @ 6M Libor plus 225 basis point. The loan is repayable in 8 quarterly equal installments of ₹ 38.6 million from the balance sheet date .The loan is secured by exclusive charge on the dredgers and is further secured by way of second pari passu charge on the entire movable and immovable fixed assets pertaining to Multipurpose, Terminal-II and Container Terminal –II project assets and Single Point Mooring.

7 Foreign currency loans aggregating to ₹ 1,020.7 million (previous year ₹ 1,435.9 million) carries interest @ 6M Euribor plus 75 basis point. The loan is repayable in 14 semi annually equal installments of ₹ 73.0 million from the balance sheet date. The loan is secured by exclusive charge on the Cranes purchased under the facility.

8 Foreign Currency Loans from Banks aggregating to ₹ 18,796.9 million (previous year ₹ 18,813.3 million) is 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 @ 6M Libor plus basis point in range of 300 to 380. Further, out of the above loan as aggregating to ₹ 5,203.1 million are repayable in 13 Quarterly equal installments of approx. ₹ 400.2 million from the balance sheet date, ₹ 9,375.0 million are repayable in 3 annual equal installment of ₹ 3,125.0 million starting repayment year 2015-16, ₹ 1,718.8 million are repayable in 11 semi- annual equal installments of ₹ 156.2 million from the date of the balance sheet. The balance amount of ₹ 2,500 million is bullet repayment on maturity of the loan in 2016.

9 Foreign currency Loans from bank aggregating to ₹ 2,750.0 million (previous year ₹ 2,905.9 million) is secured by first pari pasu 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 range of 310 to 380. These loans are repayable in 17 quarterly equal installments of approx. ₹ 161.7 million from the balance sheet date.

10 Foreign currency Loans from bank aggregating to ₹ 18,750.0 million (previous year ₹ 17,974.5 million) carries interest @ 3M Libor plus basis point in range of 310 to 370, is repayable in 3 equal installments of ₹ 2,083.3 million and ₹ 4,166.7 million each starting repayment year 2015-16 and 2016-17 respectively. These loans are secured by first pari pasu 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.

11 Foreign Currency Loans from Banks aggregating to ₹ 976.4 million (previous year ₹ 1,254.7 million) carries interest @ 4.6% p.a . Out of these loans, ₹ 439.1 million are repayable in 12 semi-annual equal installments of approx. ₹ 36.5 million, ₹ 163.9 million are repayable in 13 semi-annual equal installments of ₹ 12.6 million, ₹ 184.4 million are repayable in 14 semi-annual equal installments of ₹ 13.1 million, ₹ 189.1 million are repayable in 15 semi-annual equal installments of ₹ 12.6 million from the balance sheet date. These loans are secured by exclusive charge on the individual Tug.

12 Foreign currency loan aggregating to ₹ 2,109.4 million (previous year ₹ 2,321.7 million) carries interest @ 6M Libor plus 300 to 330 basis point . The loan is repayable in 27 quarterly equal installments of approx. ₹ 78.1 million from the balance sheet date . The loan are secured by first Pari-passu charge on all the immovable and movable assets of Multipurpose, Terminal-II and Container Terminal –II project assets.

13 Foreign currency Loans from bank aggregating to ₹ 2,500.0 million (previous year ₹ 2,396.6 million) is secured by first pari pasu charge on all the movable and immovable assets pertaining to Coal terminal project assets at Wandh and carries interest @ 3M Libor plus basis point in range of 260 to 310. The Loan is repayable in single installment on maturity in year 2017-18.

14 Foreign Currency Loan aggregating to ₹ 1,343.8 million (previous year ₹ 1,653.7 million) carries interest @ 6 months Euribor plus a margin of 290 basis point. This loan is secured by first pari-passu charge on movable and immovable assets pertaining to Multipurpose, Terminal-II and Container Terminal –II project assets. The loan is repayable in 16 semi- annual equal installments of ₹ 84.0 million starting from year 2015-16.

15 Foreign Currency Loan aggregating to ₹ 3,125.0 million (previous year ₹ 2,995.8 million) carries interest @ 3 month libor plus 300 basis point. This loan is secured by First pari-passu charge on movable and immovable assets pertaining to coal terminal project assets. The Loan is repayable in single installment on maturity in year 2018-19.

16 Rupee Term Loan from bank aggregating to ₹ 1,020.0 million (previous year ₹ 1,140.0 million) is secured by first pari passu charge on all the movable and immovable assets pertaining to Agripark project assets and carries interest @ 10.25% p.a. The loan is repayable in 18 quarterly equal installments of ₹ 56.7 million from the balance sheet date.

17 Rupee term loan amounting to ₹ 4,500.0 million (previous year ₹ 4,750.0 million) are secured by exclusive charge on land parcel of 90 hectares situated at Mundra Taluka, Kutch Distrcit, Gujarat. The loan is repayable in 10 semi-annual equal installments of ₹ 450.0 million from the balance sheet date.

18 Rupee term loan amounting to ₹ 2,000.0 million (previous year Nil) for which charge creation on Multi purpose Terminal, Terminal II and container terminal II (Excluding immovable assets relating to SPM project west basin, south basin and SEZ land) is under process. The Loan is repayable in 2 semi- annual equal installments of ₹ 1,000.0 million from the balance sheet date.

19 Suppliers bills accepted under foreign currency letters from bank aggregating to ₹ Nil million (previous year ₹ 176.8 million) carried interest @ 6 M Libor plus basis point in range of 100 to 310 .The Loan was secured against exclusive charge on the goods, materials, assets acquired or procured under the facility .

20 Suppliers bills accepted under foreign currency letters of credit aggregating to ₹ 948.8 million (previous year ₹ 1,000.2 million) carries interest @ 6M Libor plus basis point in range of 100 to 200 which is repayable on maturity in 2015-16. The loan is secured against exclusive charge on assets purchased under the facility.

21 Suppliers bills accepted under foreign currency letters of credit aggregating to ₹ 267.1 million (previous year NIL million) carries interest @ 6M Libor plus basis point in range of 35 to 105 which is repayable on maturity in 2015-16. The loan is secured against exclusive charge on fixed assets purchased under the facility.

22 a) Rupee term loan of ₹ Nil (previous year ₹ 1,250.0 million) carry interest @ 11% p.a. The loan was unsecured.
b) Foreign Currency Loan aggregating of ₹ 184.4 million (previous year ₹ 246.4 million) carry interest @ 2.12 % p.a. The outstanding loan amount is repayable in 10 semi- annual equal installment of ₹ 18.4 million from the balance sheet date. The loan is unsecured .

23 Term loan taken by the subsidiaries includes:-

i) Loans from banks including foreign currency term loan amounting to ₹ 2,188.0 million (Previous Year ₹ 2,294.4 million), rupee term loan ₹ 3,736.8 million (Previous Year ₹ 3,936.8 million) and suppliers bills accepted under foreign currency letter of credit amounting to 51.6 million (previous year ₹ Nil) taken by Adani Petronet (Dahej) Port Private Limited 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. Of the above loans, Indian Rupee loan carries interest @ SBIPLR plus 1.75% p.a. The loan is repayable in 16 quarterly installments of ₹ 50.0 million each from June 30, 2011 till June 30, 2015 and balance in 24 quarterly installments of ₹ 175.0 million each along with interest, starting from September 30, 2015 till September 30, 2020 , Foreign currency loans carries interest in the range of libor plus basis point in range of 375 to 500. The loans are repayable in 38 to 40 quarterly installments each along with interest. Suppliers bills accepted under foreign currency letter of credit carries interest EURIBOR plus 50-55 basis points.

ii) Foreign currency loans from banks amounting to ₹ 779.6 million (previous year ₹ 1,047.0 million) and Foreign Currency Loans from financial institutions amounting to ₹ 572.1 million (previous year ₹ 666.0 million) 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. Of the above loans, the foreign currency loans from banks amounting to ₹ 779.6 million (previous year ₹ 1,047.0 million) are repayable on quarterly installment basis payable on last date of each quarter upto September 30, 2016; the foreign currency loans from financial institutions amounting to ₹ 572.1 million (previous year ₹ 666.0 million) is repayable on quarterly basis upto June 21, 2018 and is being paid on 21st of last month of each quarter.

iii) Foreign currency term loans from financial institutions amounting to ₹ 750.0 million (previous year ₹ 728.1 million) taken by Karnavati Aviation Private Limited carries interest @ of libor plus 425 basis point. The Loan is repayable in 20 Half yearly installments along with interest beginning from 27-04-2010. The loan is secured by hypothecation of Aircraft Challenger 605.
Foreign currency term loans from banks amounting to ₹ 1,180.0 million (previous year ₹ 1,257.8 million) taken by Karnavati Aviation Private Limited carries interest @ of libor plus 324 basis point. The Loan is repayable in 28 Quarterly installments along with interest beginning from 30-05-2013 . 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 ₹ 15,912.6 million (previous year ₹ 15,499.4 million), rupee term loans amounting to ₹ 950.0 million (previous year ₹ 1,000.0 million) and suppliers bills accepted under foreign currency letter of credit amounting to ₹ Nil million (previous year ₹ 686.4 million). Of the above loans, foreign currency loan carries interest @ libor plus 205 to 455 basis points, foreign currency loan of ₹ 9,187.5 million is repayable in 28 structured quarterly installments starting June 30, 2014 and ₹ 6,725.1 million is repayable in 44 structured quarterly installments starting from June, 2014; Rupee term loans carries interest @ 11% to 12% p.a. is repayable in 44 quarterly installments, starting from June 30, 2014. These loans are secured by first ranking pari-passu charge on all movable (other than core assets) and immovable assets of the Company and all revenues
& receivables from the project. Suppliers bills accepted under foreign currency letter of credit are carries interest @ 0.61%. The facility is secured by exclusive charge on underlying assets purchased under the facility.

v) Loans from banks taken by Adani Murmugoa Port Terminal Private Limited includes rupee term loans amounting to ₹ 1,542.6 million (previous year ₹ 1,898.9 million) and suppliers bills accepted under foreign currency letter of credit amounting to ₹ Nil million (previous year ₹ 571.0 million). Of the above, rupee term loans carries interest @ 12% p.a. which is payable on monthly basis. The loan is repayable in 32 equal quarterly installments starting from June 30, 2014. These term loans are 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. Suppliers bill are secured by exclusive charge on underlying assets purchased under the facility and carries interest of libor plus 200 basis points and accepted by banks with a term of three years.

vi) Loans from banks taken by Adani International Container Terminal Pvt Ltd includes foreign currency term loan aggregating to ₹ 2,296.8 million (Previous year ₹ 2,224.4 million) carries interest @ 6M libor plus 460 basis point. The same are repayable in 5 structured annual installments.
The facility is secured by first ranking pari-passu charge on all movable and immovable assets of the Company and leasehold interest on the same, both present and future related to the project, all the Bank accounts of the company and all future revenues & receivables from the project. Pending registration of leasehold land in the name of Company, charge on immovable asset is pending to be created in favour of lenders.
Foreign currency term loan from banks aggregating to ₹ 1,476.5 million (Previous year - ₹ 1,475.4 million) carries interest @ 6M libor plus 450 basis point. The same are repayable in 38 structured quarterly installments. The facility is secured by fist ranking pari-passu charge on all movable and immovable assets of the company and leasehold interest on the same, both present and future related to the project, all the Bank accounts of the company and all future revenues & receivables from the project.
Rupee term loan from bank aggregating to ₹ 1,400.0 million (previous year Rs. 1,400.0 million) carries interest @ 12.25% p.a. and is secured by first ranking pari-passu charge on all movable and immovable assets of the company and leasehold interest on the same, both present and future related to the project, all the Bank accounts of the company and all future revenues & receivables from the project. The same are payable in 48 structured quarterly installments starting from June 2015.
The facility is secured by first ranking pari-passu charge on all movable and immovable assets of the Company and all future revenues & receivables from the project.
Suppliers Credit facilities aggregating to ₹ 2,303.7 million (Previous year ₹ 2,681.2 million) from banks are secured by hypothecation of machinery, equipment and other movable assets purchased under the facility. Letter of Credit carries interest in range of 0.30% to 0.90%.

vii) Foreign currency loans including supplier bills accepted of Adani Vizag Coal Terminal Pvt Ltd aggregating of ₹ 2,163.1 million (previous year ₹ 2,196.4 million) 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.
Indian Rupee loan carries interest @ I-Base plus 2.25% p.a. (spread).The loan is repayable in 40 quarterly installments starting from 8th November,2015.The foreign currency letter of credit carries interest 0.48% to 0.86% .

viii) Rupee Term Loan from bank taken by The Dhamra Port Company Limited aggregating to ₹ 22,250.0 million (previous year ₹ Nil) has been used to refinance existing term loan with the consortium bankers namely Facility A & Facility B. The loan is secured by a first charge by way of hypothecation on over all movable assets, both present and future of the Company. The Rupee Term Loan carries a variable interest which is presently ranging from 10.1 % to 10.75 % p.a. The loan is repayable in 50 structured quarterly instalments starting from June 15, 2016.

7. **Deferred tax**

	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting post tax holiday period	8,975.4	7,682.4
	8,975.4	7,682.4
Deferred tax Assets	-	-
Unabsorbed depreciation / business loss	260.5	938.7
Others	124.7	-
	385.2	938.7
Net deferred tax liability	8,590.2	6,743.7

Note:

Disclosure in Consolidated Balance Sheet is based on entity wise recognition, as follows:

Deferred tax Liabilities	8,590.2	6,744.7
Deferred tax Assets	-	1.0
Net deferred tax liability	8,590.2	6,743.7

In entities where deferred tax assets comprising of unabsorbed depreciation, carry forward losses and the timing differences of depreciation and other differences in block of fixed assets, the net deferred tax assets have been recognised in case in the opinion of the management, there is virtual certainty that sufficient future taxable income are available against which deferred tax assets can be realised evidenced by cargo/ service orders at the reporting date.

8. Other long-term liabilities

	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Advance from customers	173.2	211.0
Deposits from customers	420.6	447.3
Unearned Income under long term land lease/ infrastructure usage agreements	6,186.8	6,595.7
Capital Creditors, retention money and other payables	-	14.6
Liability for revenue sharing(Refer note below)	342.4	-
Obligations under lease land	65.0	67.3
	7,188.0	7,335.9

Note :- In case of The Dhamra Port Company Limited, a wholly owned subsidiary company, revenue share is payable to Government of Odisha ("GoO") after a moratorium period of five years from the operation date in twenty equal quarterly installments with simple bank interest. However the company has paid ₹ 734.8 million out of accumulated revenue share liability to GoO till March 31, 2015.

9. **Provisions**

	Long Term		Short Term	
	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Provision for employee benefits Provision for gratuity (Refer note 28)	9.3	3.5	43.2	12.2
Provision for leave benefits	30.7	6.7	118.7	82.4
	40.0	10.2	161.9	94.6
Other provisions				2,070.1
Proposed equity dividend	-	-	2,277.1	351.8
Provision for tax on proposed equity dividend	-	-	463.6	
Proposed preference dividend	-	-	*-	*-
Provision for tax on proposed preference dividend	-	-	*-	*-
Provision for income tax (Net of advance tax)				
Provision for Mark to Market losses on derivative contracts	-	-	430.4	219.5
Provision for operational claims (Refer note below)	2,887.8	3,680.0	1,221.0	347.4
	-	-	245.4	185.4
* Figures being nullified on conversion to ₹ in million.				
	2,887.8	3,680.0	4,637.5	3,174.2
	2,927.8	3,690.2	4,799.4	3,268.8

(₹ In million)

Description	Opening Balance	Additions during the year	Utilisation/Settled during the year	Closing Balance
Operational Claims	**185.4**	**65.2**	**5.2**	**245.4**
	(117.9)	(79.1)	(11.6)	(185.4)

Previous year figures are in bracket

Note: 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.

10. **Short-term borrowings**

	March 31, 2015 (₹ In million)	March 31, 2014 (₹ In million)
Suppliers bills accepted under foreign currency letters of credit issued by Banks (secured)	1,555.5	1,805.5
Commercial Paper (unsecured)	11,500.0	2,250.0
	13,055.5	4,055.5

1 Suppliers bills accepted under foreign currency letters of credit aggregating to ₹ 1,198.5 million (previous year ₹ 944.9 million) carries interest @ 6M Libor plus basis point in range of 49 to 105 which are repayable on maturity in 2015-16. The loan is secured against exclusive charge on assets and materials purchased under the facility.

2 Supplier Bills aggregating to ₹ 350.3 million (previous year ₹ 860.6 million) carries interest @ 6M Libor plus basis in range of 65 to 170 and one year libor plus basis point in range of 100-225 which is repayable on maturity in 2015-16 The loan is secured against subservient charge on movable fixed assets and current assets except those secured by exclusive charge in favour of other lenders .

3 Bills under foreign currency letters of credit from Banks taken Adani Hazira Port Private Limited aggregating to ₹ 6.7 million are (previous year ₹ Nil) carries interest @ 0.61%.

11. Trade payables

	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Trade payables (includes dues to micro, small and medium ₹3.0 million (Previous year ₹ 0.8 million)	3,281.0	2,632.3
	3,281.0	2,632.3
Dues to related parties included in above (Refer note 31) Trade payables	142.4	100.4

12. Other current liabilities

	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
(a) Current maturities of long-term borrowings (Refer note 6)	25,759.2	12,400.2
(b) Interest accrued but not due on borrowings	1,218.5	820.6
(c) Interest accrued but not due on Others	18.8	16.2
(d) Unclaimed dividend#		
-Equity share	10.4	9.4
-Preference share	*-	*-
(e) Application money received for allotment of securities pending refund to applicants#	1.4	6.1
(f) Unearned revenue	434.4	263.8
(g) Current maturities of unearned Income under long term land lease/ infrastructure usage agreements	421.2	421.2
(h) Advance from customers	1,547.7	709.7
(i) Deposits from customers	428.2	393.3
(j) Obligations under leasehold land	0.1	-
(k) Statutory Liabilities	375.1	199.0
(l) Capital creditors, retention money and other payable	2,961.9	1,787.3
(m) Forward contract payable	36.8	-
(n) Book overdraft	-	15.6
	33,213.7	17,042.4

* Figures being nullified on conversion to ₹ in million.
# Not due for credit to "Investors Education & Protection Fund"

Dues to related parties included in above (Refer note 31)		
Advances	335.8	213.8
Deposits	55.0	33.0

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Notes to the Consolidated Financial Statements for the year ended March 31, 2015 NOTE : 13

FIXED ASSETS

(₹ In Million)

Sr. No.	Particulars	Gross Block (At Cost)							Depreciation / Amortisation					Net Block	
		As at April 01,2014	Additions on acquisition	Additions	Deductions/ Adjustments	Other Adjustments		As at March 31,2015	Up to April 01,2014	Addition due to acquisition of subsidiaries	For the Year	Deductions/ Adjustments	Up to March 31,2015	As at March 31,2015	As at March 31,2014
						Exchange Differences	Borrowing Cost								
	TANGIBLE ASSETS														
1	Rights of use in Leased land	331.0	-	13.1	(38.5)	-	-	305.6	29.7	-	10.3	(1.0)	39.0	266.6	301.3
2	Land Development Cost on Leasehold Land	2,128.2	3,911.3	1,830.6	-	8.5	53.4	7,932.0	372.2	508.2	108.9	1.1	990.4	6,941.6	1,756.0
3	Freehold Land	6,109.7	7.3	93.9	(39.6)	-	-	6,171.3	-	-	-	-	-	6,171.3	6,109.7
4	Buildings	22,159.3	7,519.3	3,708.8	-	366.5	199.5	33,953.4	1,815.6	1,077.3	1,611.7	(1.1)	4,503.5	29,449.9	20,343.7
5	Marine Structures	27,046.8	-	4,856.5	-	595.8	448.3	32,947.4	3,604.2	-	588.3	-	4,192.5	28,754.9	23,442.6
6	Dredged Channels	17,696.4	7,568.4	2,916.5	-	109.8	8.8	28,299.9	2,467.4	986.4	328.0	-	3,781.8	24,518.1	15,229.0
7	Tugs & Boats	10,249.0	-	50.8	(0.3)	66.7	-	10,366.2	2,204.8	-	461.5	(0.3)	2,666.0	7,700.2	8,044.2
8	Railway Tracks	4,423.8	6,414.7	14.6	-	65.0	-	10,918.1	1,051.2	1,334.3	364.3	-	2,749.8	8,168.3	3,372.6
9	Plant and Machinery	43,664.2	9,959.5	10,709.7	(21.0)	417.9	483.0	65,213.3	7,685.1	2,186.8	3,566.5	(12.1)	13,426.3	51,787.0	35,979.1
10	Project Assets	16,618.3	-	321.5	(1.9)	(478.5)	-	16,459.4	5,736.6	-	1,086.9	(1.2)	6,822.3	9,637.1	10,881.7
11	Aircrafts	3,521.9	-	-	-	81.0	-	3,602.9	584.9	-	168.3	-	753.2	2,849.7	2,937.0
12	Wagons	882.6	-	3.1	-	18.2	-	903.9	231.4	-	66.8	-	298.2	605.7	651.2
13	Office Equipment	230.0	40.3	222.7	-	0.5	-	493.5	57.0	13.3	111.4	0.1	181.8	311.7	173.0
14	Furniture & Fixtures	258.8	31.9	117.9	-	-	-	408.6	119.8	7.6	38.1	-	165.5	243.1	139.0
15	Computer Hardware	670.9	85.3	124.8	-	6.4	-	887.4	282.0	76.6	162.4	(0.1)	520.9	366.5	388.9
16	Vehicles	599.1	25.2	93.9	(151.5)	-	-	476.8	162.7	10.1	66.5	(67.4)	171.9	304.9	346.4
	Sub Total	**156,500.0**	**35,563.3**	**25,078.4**	**(252.8)**	**1,257.8**	**1,193.0**	**219,339.7**	**26,404.6**	**6,200.6**	**8,739.9**	**(82.0)**	**41,263.1**	**178,076.6**	**130,095.4**
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	INTANGIBLE ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Goodwill on amalgamation	785.9	-	-	-	-	-	785.9	309.2	-	28.1	-	337.3	448.6	476.7
18	Software	397.0	91.5	154.0	-	0.9	-	643.4	301.6	71.3	47.3	-	420.2	223.2	95.4
19	Liscense Fees - Indian Railways	500.0	-	-	-	-	-	500.0	162.5	-	25.0	-	187.5	312.5	337.5
20	Right of use to develop and operate the port facilities	233.5	-	-	-	-	-	233.5	12.2	-	10.5	-	22.7	210.8	221.3
	Sub Total	**1,916.4**	**91.5**	**154.0**	**-**	**0.9**	**-**	**2,162.8**	**785.5**	**71.3**	**110.9**	**-**	**967.7**	**1,195.1**	**1,130.9**
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**158,416.4**	**35,654.8**	**25,232.4**	**(252.8)**	**1,258.7**	**1,193.0**	**221,502.5**	**27,190.1**	**6,271.9**	**8,850.8**	**(82.0)**	**42,230.8**	**179,271.7**	**131,226.3**
	Previous Year	133,342.2	-	18,092.5	(602.9)	7,267.9	316.7	158,416.4	19,921.1	-	7,539.9	(270.9)	27,190.1	131,226.3	113,421.1

Notes:

i) Depreciation of ₹ 772.2 million (Previous Year ₹ 795.0 million) relating to the project assets has been allocated towards capitalization/capital work in progress.

ii) Freehold Land includes land development cost of ₹ 125.6 million (Previous Year ₹ 125.6 million)

iii) Plant and Machinery includes cost of Water Pipeline amounting to ₹ 66.5 million (Gross) (Previous Year ₹ 66.5 million), accumulated depreciation ₹ 32.8 million (Previous Year ₹ 28.8 million) which is constructed on land owned by the government.

iv) Buildings includes 588 residential flats and 82 hostel rooms valuing ₹ 1,310.4 million (Previous Year ₹ 1,186.3 million) at Samudra Township, Mundra, which are pending to be registered in the Company's name.

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 the Right of use such land at present value of future annual lease payments in the books.

vi) Land development cost on leasehold land includes costs incurred towards reclaimed land of ₹ 2,218.0 million (Previous Year ₹ 1,101.4 million). The cost has been estimated by the management, out of the dredging activities which is not materially different from the actual cost.

vii) Reclaimed land measuring 1375.58 HA created are pending to be registered in the name of the Company/subsidiaries entities.

14. **Non-current investments**

	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
In Equity Shares of Company		
1,000 (Previous Year - 1,000) fully paid Equity Shares of AUD 1 each of Mundra Port Pty Ltd.	*-	*-
5,00,00,000 (Previous Year - 5,00,00,000) fully paid Equity Shares of ₹ 10 each of Kutch Railway Company Limited.	400.0	400.0
1,73,30,000 (Previous Year - 1,73,30,000) fully paid Equity Shares of ₹ 10 each of Bharuch Dahej Railway Company Limited. (Refer note 3 below)	173.4	173.4
Investment in associates		
4,900 (Previous Year - 4,900) fully paid Equity Shares of ₹ 10 each of Dholera Infrastructure Private Limited	*-	*-
	573.4	573.4
Non trade investments (valued at cost unless stated otherwise)		
In Preference Shares of Company		
Unquoted		
NIL (Previous Year - 1,30,000) 0.01% Non Cumulative Optionally Convertible Preference Shares of ₹ 10 each of Adani Shipyard Private Limited.	-	1.3
In Government Securities		
National Savings Certificates (Lodged with Government Department) & others	0.1	0.1
	0.1	1.4
	573.5	574.8

* Figures being nullified on conversion to ₹ in million

Note

1) Aggregate cost of unquoted investments as at March 31, 2015 ₹ 573.5 million (previous year - ₹ 574.8 million).

2) 1,000 fully paid equity shares (previous year - 1,000) of Mundra Port Pty Ltd.(MPPL) (refer note 41) has been pledged with banks against borrowings by MPPL.

3) In terms of participation agreement with Rail Vikas Nigam Limited, Gujarat Maritime Board, Gujarat Narmada Valley Fertilizers Company Limited, Dahej SEZ Limited, Hindalco Industries Limited-Unit Birla Copper and Jindal Infrastructure Industries Limited on June 16, 2008 (Supplemental to shareholder agreement dated January 12, 2007) Adani Petronet (Dahej) Port Pvt Ltd (Subsidiary Company) has acquired 10.50% stake in Bharuch Dahej Railway Company Limited ('BDRCL'), a special purpose vehicle (SPV), for gauge conversion of Bharuch- Samni-Dahej Railway line between Bharuch and Dahej and subsequent operation and maintenance of the railway line and railway services thereon.

15. **Loans and advances**

		Non-Current		Current	
		March 31, 2015 ₹ In million	March 31, 2014 ₹ In million	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Capital advances					
Secured, considered good		833.6	105.2	-	-
Unsecured, considered good		2,499.8	9,312.9	-	-
(Also Refer note 31)	**(A)**	3,333.4	9,418.1	-	-
Capital advance includes ₹ 659.5 million (Previous year ₹ 3,755.6 million) paid to various parties and government authorities for acquisition of land.					
The Company has bank guarantees of ₹ 833.6 million (Previous year ₹ 105.2 million) against capital advances.					
Loan and advances to related parties					
(Also Refer note 31) (Refer note below)					
Unsecured, to associate company considered good		87.9	6,337.7	21,757.3	13,648.4
	(B)	87.9	6,337.7	21,757.3	13,648.4
Advances recoverable in cash or kind					
Unsecured, considered good		47.2	-	1,000.1	534.8
	(C)	47.2	-	1,000.1	534.8
Other loans and advances (unsecured, considered Good)					
Income-Tax Receivable (net of provision of taxation)		850.5	431.5	-	-
MAT Credit Entitlement (Refer note 33 and 39(u))		15,218.6	9,951.3	-	-
Fringe Benefit Tax-Receivable (net)		0.6	0.6	-	-
Prepaid expenses		93.0	25.6	282.8	228.8
Loans and Advances to employees		18.5	23.4	24.9	19.3
Gratuity Fund		-	-	2.6	2.4
Balances with statutory / Government authorities		1,009.8	659.2	1,384.1	1,046.0
Inter Corporate Deposit (Refer note below)		594.5	371.5	12,731.6	16,737.3
Deposit - Others (Refer note 37)		3,647.3	3,709.1	254.6	182.0
	(D)	21,432.8	15,172.2	14,680.6	18,215.8
Total (A+ B + C + D)		24,901.3	30,928.0	37,438.0	32,399.0

Note :

The Company has granted interest bearing inter-corporate loans and deposits aggregating ₹ 21,337.3 million (previous year ₹ 19,895.2 million) (including renewals on due dates) as at March 31, 2015 to its related parties, excluding loans 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 deposits to avail future commercial benefits with an option to purchase underlying assets.

Further, the Company has also extended inter-corporate deposits aggregating ₹ 12,613.5 million (previous year ₹ 16,661.0 million) (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 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 .

16 Current Investments

	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Unquoted mutual funds		
9,98,496.517 (Previous Year Nil) units of ₹ 10 each in Birla Sun Life Cash Plus Daily Div - Direct Plan - Reinvest	100.0	-
2,00,005.939 (Previous Year Nil) units of ₹ 10 each in DSP Black Rock Liquidity Fund - Direct Plan - Daily Dividend	200.2	-
12,79,728.144 (Previous Year Nil) units of ₹ 10 each in ICICI Prudential Liquid -Direct Plan- Daily Dividend	128.0	-
49,998.666 (Previous Year Nil)units of ₹ 10 each in Pramerica Liquid Fund - Direct Plan - Daily Dividend – Reinvest	50.0	-
14,95,641.577 (Previous Year Nil) units of ₹ 10 each in SBI Premier Liquid Fund - Direct Plan - Daily Dividend	1,500.5	-
16,94,771.630 (Previous Year Nil) units of ₹ 10 each in Sundaram Money Fund - Direct Plan-Growth		
Nil (Previous Year 7,07,992.53 Units) of ₹ 10 each in Peerless Liquid Fund - Direct Plan - Daily Dividend - Reinvestment	50.0	-
Nil (Previous Year 7,082.61 Units) of ₹ 1000 each in Pramerica Liquid Fund - Direct Plan - Daily Dividend - Reinvestment	-	7.1
Nil (Previous Year 32,39,663.99 Units) of ₹ 10 each in Peerless Liquid Fund - Direct Plan Growth	-	7.1
	-	45.2
Aggregate amount of unquoted investments Net Assets value	2,028.7	59.4
	2,028.7	59.4

17. Inventories (valued at lower of cost and net realizable value)

	Non-Current		Current	
	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Stores, spares and consumable (includes goods in transit of ₹ 25.2 million (previous year ₹ 353.5 million)	-	-	2,591.9	1,694.4
Project Work in Progress	1,230.6	-	-	-
	1,230.6	-	2,591.9	1,694.4
Amount disclosed under non-current assets (Refer note 19)	(1,230.6)	-	-	-
	-	-	2,591.9	1,694.4

18. Trade receivables

(Unsecured considered good except to the extent provided)
(Refer note 31)

	Non-Current		Current	
	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good	-	-	5,185.0	3,354.0
Considered doubtful	-	-	78.6	29.0
	-	-	5,263.6	3,383.0
Provision for doubtful receivables	-	-	(78.6)	(29.0)
(A)	-	-	5,185.0	3,354.0
Other receivables*	4,388.6	5,043.0	7,692.7	5,878.6
(B)	4,388.6	5,043.0	7,692.7	5,878.6
Total (A + B)	4,388.6	5,043.0	12,877.7	9,232.6

* Includes ₹ 6,710.3 million (previous year ₹ 7,316.5 million) contractually collectable on deferred basis.(incl. where receivable period extended)

Dues from related parties included in above (Refer note 31)

Trade receivables	3,561.4	4,405.1	4,916.5	3,398.4

19. **Other assets**

	Non-Current		Current	
	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Unsecured, considered good unless stated otherwise				
Non-current bank balances(Refer note20)	263.8	384.1	-	-
(A)	263.8	384.1	-	-
Unamortised ancillary cost of borrowings	870.4	1,014.1	251.3	239.8
Receivable for Sale of Investments (Refer note 42)	-	-	816.2	949.4
Non Trade Receivable	27.6	12.4	323.6	94.6
Interest accrued on deposits and loans and advances	705.6	281.7	2,145.8	3,976.4
Project work in progress (Refer note 17) Other	1,230.6	-	-	-
Current Assets	0.3	-	-	-
Accrued Revenue	-	316.4	3,043.3	655.3
Land Lease Receivables	1,927.2	1,885.8	54.3	12.1
(B)	4,761.7	3,510.4	6,634.5	5,927.6
Total (A + B)	5,025.5	3,894.5	6,634.5	5,927.6

20. **Cash and bank balances**

	Non-Current		Current	
	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Cash and cash equivalents				
Balances with banks:				
On current accounts	-	-	696.6	865.3
Deposits with original maturity of less than three months	-	-	3,146.6	621.3
Earmarked balances with banks	-	-	-	-
In Current Account (earmarked for Unpaid Dividend) /Share application	-	-	10.4	14.1
Cheques/drafts on hand	-	-	1,000.0	-
Cash on hand	-	-	1.3	1.0
	-	-	4,854.9	1,501.7
Other bank balances	-	-	-	-
Deposits with original maturity for more than 12 months	260.9	14.5	-	-
Deposits with original maturity for more than 3 months but less than 12 months Margin money deposit (Refer note below)	-	-	728.2	3,319.2
	2.9	369.6	754.7	318.3
	263.8	384.1	1,482.9	3,637.5
Amount disclosed under non-current assets (Refer note 19)	(263.8)	(384.1)	-	-
	-	-	6,337.8	5,139.2

Note: Margin Money and Fixed Deposit includes ₹ 757.6 million (Previous Year ₹ 687.9 million) pledged / lien against bank guarantees, letter of credit and cash credit facilities.

21. **Revenue from operations**

	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
a) Income from Port Operations (including related infrastructure)	51,377.9	36,021.9
b) Land Lease, Upfront Premium and Deferred Infrastructure Income (Includes annual discounting income ₹ 177.9 million (previous year ₹ 177.5 million) in respect of land lease.	865.4	1,523.8
c) Income from Development of Container Infrastructure at Mundra (Refer note 35)	-	3,624.4
d) Utilities Services	471.8	419.0
e) Aircraft Operation	302.9	305.4
f) Logistic Services	5,919.8	3,918.7
g) Other operating income including construction, Infrastructure development support services and related income	2,582.0	2,482.9
	61,519.8	48,296.1

22. **Other Income**

	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Interest income on		
Bank deposits, inter corporate deposits etc.	5,093.2	4,916.2
Customers	917.2	525.7
Dividend income on		
Current investments	92.4	66.1
Long-term investments	20.0	70.0
Scrap sales	76.5	27.2
Profit on sale of fixed asset (net)	-	1,103.5
Unclaimed liabilities / excess provision written back	422.7	64.3
Miscellaneous income	234.4	74.7
	6,856.4	6,847.7

23. **Operating Expenses**

	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Cargo handling / other charges to sub-contractors (net of reimbursement)	4,340.2	2,760.5
Purchase of traded goods	882.6	718.8
Customer Claims (includes earlier year expense of ₹ 90.4 million (previous year ₹ 61.8 million)	112.0	97.5
Railway operating expenses	2,942.5	2,201.5
Tug and Pilotage charges	569.8	208.1
Maintenance of Dredged Channel	451.7	271.2
Other expenses including customs establishment charges	44.8	37.9
Repairs to Plant & Machinery	390.4	332.9
Stores, spares and consumables (net of reimbursement)	1,256.6	1,009.8
Repairs to Buildings	137.8	107.0
Power & Fuel (net of reimbursement)	1,638.9	1,131.4
Waterfront Charges	2,120.5	1,911.3
Construction Contract Expenses*	807.9	1,354.3
Cost of Land Leased / Sub-Leased	0.2	3.5
Cargo Freight and Transportation Expenses	720.5	502.7
Aircraft Operating Expenses	145.7	133.6
Container Terminal Infrastructure Development Cost (Refer note 35)**	-	2,084.0
	16,562.1	14,866.0

*Includes material of ₹ 316.5 million (previous year ₹ 425.4 million) and services ₹ 491.4 million (previous year ₹ 928.9 million)

** Includes material Nil (previous year ₹ 831.6 million) ,sub contracting activity Nil (previous year ₹ 941.5 million) and others Nil (previous year ₹ 311.0 million)

24. Employee benefits expense

	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Salaries, Wages and Bonus	2,050.1	1,413.1
Contribution to Provident & Other Funds	89.9	71.9
Gratuity Expense (Refer Note 28)	62.3	18.8
Workmen and Staff Welfare Expenses	169.3	112.3
	2,371.6	1,616.1

25. **Other Expenses**

	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Rent (including land lease discounting charge of ₹ 0.8 million; Previous Year ₹ 0.7 million, Refer note (a) and (b) below)	164.0	91.8
Rates and Taxes	74.9	65.5
Insurance (net of reimbursement)	217.3	166.0
Advertisement and Publicity	128.4	94.5
Other Repairs and Maintenance (net of reimbursement)	254.5	244.9
Legal and Professional expenses	616.3	409.2
IT Support services	106.7	42.0
Payment to auditors	19.0	11.2
Security expenses	203.1	146.1
Communication expenses	33.9	24.9
Electric Power expenses	34.9	37.8
Office expenses	20.4	10.4
Travelling and conveyance	190.9	173.2
Directors Sitting Fee	2.0	1.6
Commission to Non-executive Directors	6.0	6.0
Charity & Donations	421.2	308.7
Loss on Foreign Exchange Variation (net)	722.5	574.5
Provision for Doubtful debts	49.6	-
Loss on sale of Investment	-	0.8
Miscellaneous Expenses	297.4	212.8
	3,563.0	2,621.9

Note:

a) Assets taken under Operating Leases – Office space and residential houses for staff accommodation are generally obtained on operating leases. The lease rent terms are generally for eleven months period and are renewable by mutual agreement. There are no sub- leases and leases are cancellable in nature. 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. Expenses of ₹ 33.3 million (Previous Year ₹ 33.4 million) incurred under such leases have been expensed in the statement of profit & loss.

b) Assets taken under Operating Leases – 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 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 restrictions imposed by the lease arrangements. Expenses of ₹ 1.0 million (Previous year ₹ 0.5 million) incurred under such lease have been expensed in the statement of profit and loss.

Future minimum rentals payable under non-cancellable operating leases are as follows:

(₹ In million)

Particulars	As at March 31, 2015	As at March 31, 2014
Not later than one year	1.0	1.0
Later than one year and not later than five years	5.3	5.2
Later than five years	8.8	9.9

26. **Finance costs**

	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Interest		
Debentures	3,722.4	2,149.7
Fixed Loans, Buyer's Credit, Short Term etc.	8,059.1	5,051.5
Interest on income tax	-	27.6
Others	87.2	35.9
Bank and other finance charges (Including amortisation of Ancillary cost)	573.5	393.8
(Gain)/Loss on Derivatives / Swap Contracts (net)	(691.6)	2,109.1
	11,750.6	9,767.6

27. **Earnings per share (EPS)**

	March 31, 2015 ₹ In million	March 31, 2014 ₹ In million
Net Profit for the year	23,143.3	17,396.4
Less : Dividends on Non-Cumulative Redeemable Preference Shares & tax thereon	*-	*-
Net profit for calculation of basic and diluted EPS	23,143.3	17,396.4
Weighted average number of equity shares in calculating basic and diluted EPS	**2,070,051,620**	2,057,815,856
Basic and Diluted Earnings per Share in Rupees	**11.18**	8.45

* Figures being nullified on conversion to ₹ in million.

28 Details of employee benefits

1. The company has recognised, in the consolidated statement of profit and loss for the current year, an amount of ₹ 84.2 million (Previous Year ₹ 64.2 million) as expenses under the following defined contribution plan.

(₹ In million)

Contribution to	2014-15	2013-14
Provident Fund	80.9	58.0
Superannuation Fund	3.3	6.2
Total	84.2	64.2

2. The Company has a defined gratuity plan. Every employee who has completed atleast five years of service, gets a gratuity on departure a 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Company of India (LIC) in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Consolidated Statement of Profit and Loss

a) **Net Employee benefit expense (recognised in Employee Cost)**

(₹ In million)

Particulars	Gratuity (Funded) March 31, 2015	Gratuity (Funded) March 31, 2014
Current Service cost	20.3	17.4
Interest Cost on benefit obligation	9.3	6.6
Expected return on plan assets	(7.4)	(5.7)
Actuarial loss / (gain) recognised in the year	40.1	0.5
Net benefit expense	62.3	18.8

Note:

Actual return on plan assets ₹ 9.4 million (Previous Year ₹ 5.7 million)

Balance Sheet

b) **Details of Provision for gratuity**

(₹ In million)

Particulars	Gratuity (Funded)	Gratuity (Funded)
	March 31, 2015	March 31, 2014
Present value of defined benefit obligation	166.2	94.6
Fair value of plan assets	116.3	82.2
Net asset/ (liability)	(49.9)	(12.4)

c) **Changes in Present Value of the defined benefit obligation are as follows:**

(₹ In million)

Particulars	Gratuity (Funded)	Gratuity (Funded)
	March 31, 2015	March 31, 2014
Defined benefit obligation at the beginning of the period	101.9	79.8
Current Service cost	20.3	17.4
Interest Cost	9.3	6.6
Actuarial (gain) / loss on obligations	42.0	1.8
Benefits paid	(7.2)	(10.0)
Liability Transferred	(0.1)	(1.0)
Defined benefit obligation at the end of the period	166.2	94.6

d) **Changes in Fair Value of Plan Assets are as follows:**

(₹ In million)

Particulars	Gratuity (Funded)	Gratuity (Funded)
	March 31, 2015	March 31, 2014
Opening fair value of plan assets	87.4	61.4
Expected return	7.4	5.7
Contributions by employer	21.9	18.6
Benefits Paid	(2.3)	(3.1)
Liability transfer to other Company	-	(1.7)
Actuarial gains / (losses)	1.9	1.3
Closing fair value of plan assets	116.3	82.2

Note:

1. The present value of the plan assets represents the balance available with the LIC / TATA AIG life insurance company as at the end of the period. The total value of Plan Assets amounting to ₹ 116.3 million (Previous year ₹ 82.2 million) is as certified by the LIC.

2. The Company's expected contribution to the fund in the next financial year is ₹ 48.8 million.(Previous year ₹ 23.9 million)

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

Benefit Contribution to	2014-15 %	2013-14 %
Investments with insurers	100.00	100.00

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

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

Particulars	Gratuity (Funded)	Gratuity (Funded)
	March 31, 2015	March 31, 2014
Discount rate	7.96% to 8.70%	9.38%
Expected rate of return on plan assets	5.83% to 9.38%	8.50% to 8.70%
Rate of Escalation in Salary (per annum)	8.50%	5% to 8.50%
Mortality	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)
Attrition rate	10% for 4 years & below and 1% thereafter	10% for 4 years & below and 1% thereafter

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

g) **Amounts for the current and previous four periods are as follows:**

(₹ In million)

Gratuity	Mar'15	Mar'14	Mar'13	Mar'12	Mar'11
Defined benefit obligation	(166.2)	(94.6)	(79.8)	(60.9)	(49.7)
Plan Assets	116.3	82.2	61.4	50.4	39.4
Surplus / (deficit)	(49.9)	(12.4)	(18.4)	(10.5)	(10.3)
Experience loss (gain) on plan liabilities	42.0	1.8	7.2	1.0	2.8
Experience loss (gain) on plan assets	1.9	1.3	0.4	(0.7)	(1.0)

29. Segment Information Business

Segment

The identified reportable Segments are Port and Special Economic Zone activities and others in terms of Accounting Standard-17 on 'Segment Reporting' as notified under section 133 of the Companies Act 2013 read with paragraph 7 of the Companies (Accounts) Rule, 2014. Other Segment mainly includes Aircraft Operating Income, Services as per Concession agreement with Government of India, Ministry of Railways for movement of Container Trains on specific Railway Routes and Multi-modal Cargo storage cum logistics services through development of Inland Container Depots at various strategic locations. There being no business outsinde India, the entire business has been considered as single geographic segment. The segment information on Consolidated Financial Statement with Segment wise Revenue, Result and Capital Employed for the year ended March 31, 2015 is given below:-

(₹ In million)

Sr. No.	Particulars	Port and SEZ Activities	Others	Eliminations	Total
1	**Revenue**				
	External Sales	**56,641.6**	**4,878.2**	**-**	**61,519.8**
		44,465.1	*3,831.0*	-	*48,296.1*
	Inter-Segment Sales	**-**	**3,192.4**	**(3,192.4)**	**-**
		-	*1,795.9*	*(1,795.9)*	-
	Total Revenue	**56,641.6**	**8,070.6**	**(3,192.4)**	**61,519.8**
		44,465.1	*5,626.9*	*(1,795.9)*	*48,296.1*
2	**Results**				
	Segment Results	**29,644.7**	**646.6**	**-**	**30,291.3**
		23,107.0	*397.5*	-	*23,504.5*
	Unallocated Corporate Income (Net of expenses)	**-**	**-**	**-**	**461.0**
		-	-	-	*1,124.3*
	Operating Profit	**-**	**-**	**-**	**30,752.3**
		-	-	-	*29,545.0*
	Less: Finance Expense	**-**	**-**	**-**	**11,750.6**
		-	-	-	*9,767.6*
	Add: Interest Income	**-**	**-**	**-**	***6,010.4***
		-	-	-	*4,916.2*
	Profit before tax	**-**	**-**	**-**	**25,012.1**
		-	-	-	*19,777.4*
	Gross Current Taxes (net of MAT credit)	**-**	**-**	**-**	**(188.2)**
		-	-	-	*909.5*
	Deferred Tax	**-**	**-**	**-**	**1,955.4**
		-	-	-	*1,457.9*
	Total Tax	**-**	**-**	**-**	**1,767.2**
		-	-	-	*2,367.4*
	Profit after tax	**-**	**-**	**-**	**23,244.9**
		-	-	-	*17,410.0*
	Less: Minority Interest	**-**	**-**	**-**	**101.6**
		-	-	-	*13.6*
	Net profit	**-**	**-**	**-**	**23,143.3**
		-	-	-	*17,396.4*
3	**Other Information**				
	Segment Assets	**215,658.9**	**11,654.6**	**-**	**227,313.5**
		190,578.3	*10,964.7*	-	*201,543.0*
	Unallocated Corporate Assets	**-**	**-**	**-**	**93,508.4**
		-	-	-	*45,228.6*
	Total Assets	**215,658.9**	**11,654.6**	**-**	**320,821.9**
		190,578.3	*10,964.7*	-	*246,771.6*
	Segment Liabilities	**16,144.8**	**977.2**	**-**	**17,122.0**
		13,497.7	*566.7*	-	*14,064.4*
	Unallocated Corporate Liabilities	**-**	**-**	**-**	**194,431.4**
		-	-	-	*143,589.5*
	Total liabilities	**16,144.8**	**977.2**	**-**	**211,553.4**
		13,497.7	*566.7*	-	*157,653.9*
	Capital Expenditure during the year	**17,206.1**	**467.0**	**-**	**17,673.1**
		12,425.4	*35.0*	-	*12,460.4*
	Segment Depreciation(Expense)	**8,651.5**	**465.3**	**-**	**9,116.8**
		6,100.2	*394.6*	-	*6,494.8*
	Non-Cash Expenses other than Depreciation (net)	**520.4**	**83.2**	**-**	**603.6**
		502.2	*30.7*	-	*532.9*
	Unallocated Non-Cash Expenses other than Depreciation	**-**	**-**	**-**	**11,750.6**
		-	-	-	*9,582.0*

Previous year figures are in italics

30. 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, 2015	Proportion of Ownership Interest (%) March 31, 2014
1	Adani Logistics Limited	India	100	100
2	Karnavati Aviation Private Limited	India	100	100
3	MPSEZ Utilities Private Limited	India	100	100
4	Mundra SEZ Textile and Apparel Park Private Limited	India	56.98	56.98
5	Adani Murmugao Port Terminal Private Limited	India	74	74
6	Mundra International Airport Private Limited	India	100	100
7	Adani Hazira Port Private Limited	India	100	100
8	Adani Petronet (Dahej) Port Private Limited	India	74	74
9	Hazira Infrastructure Private Limited	India	100	100
10	Hazira Road Infrastructure Private Limited	India	100	100
11	Adani Vizag Coal Terminal Private Limited	India	100	100
12	Adani Kandla Bulk Terminal Private Limited	India	74	51
13	Adani Warehousing Services Private Limited	India	100	100
14	Adani Ennore Container Terminal Private Limited	India	100	100
15	Adani Hospitals Mundra Private Limited	India	100	100
16	The Dhamra Port Company Limited# [w.e.f. June 23,2014]	India	100	-
17	Mundra Solar Technopark Private Limited * [w.e.f. March 10,2015]	India	100	-

* Date on which the company was incorporated.
#Date on which the company was acquired

Adani Ports and Special Economic Zone Limited's share in the voting power of associate company as at year end is as follows:

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2015	Proportion of Ownership Interest (%) March 31, 2014
1	Dholera Infrastructure Private Limited	India	49	49

Adani Ports and Special Economic Zone Limited's share in the voting power in joint ventures as at year end is as follows:

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2015	Proportion of Ownership Interest (%) March 31, 2014
1	Adani International Container Private Limited	India	50	50
2	Adani CMA Mundra Terminal Private Limited* [w.e.f.July 30, 2014]	India	50	-

* Date on which the company was incorporated.

Adani Ports and Special Economic Zone Limited's share in voting power of entities with controlling interest

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2015	Proportion of Ownership Interest (%) March 31, 2014
1	Adinath Polyfills Private Limited	India	100	100

31. **Related Party Disclosures**

The Management has identified the following entities and individuals as related parties of the Company for the year ended March 31, 2015 for the purposes of reporting as per AS 18 – Related Party Transactions, which are as under:

A. **Related parties where control exists.**

Controlling trust of Holding Co.	S.B.Adani Family Trust (SBAFT)
Holding Company	Adani Enterprises Limited
B. Related parties with whom transaction have taken place during the year.	
Associate	Dholera Infrastructure Private Limited
Fellow Subsidiary	Adani Power Limited Adani Agri Logistics Limited Adani Power Dahej Limited Adani Gas Limited Chemoil Adani Private Limited Adani Global FZE, Dubai. Adani Global Pte Limited Adani Infra (India) Limited Adani Power Rajasthan Limited Adani Welspun Exploration Limited Kutchh Power Generation Limited Adani Agri Fresh Limited Adani Energy Limited Mundra LNG Limited Adani Power Maharashtra Limited
Key Management Personnel	Mr. Gautam S. Adani, Chairman and Managing Director Mr. Rajeeva Ranjan Sinha, Whole time Director (up to May 16, 2014) Dr. Malay R. Mahadevia, Whole time Director Mr.Sudipta Bhattacharya, Whole time Director (w.e.f. May 15, 2014)
Joint Venture	Adani International Container Terminal Private Limited Adani CMA Mundra Terminal Private Limited
Relative of Key Management Personnel	Mr. Rajesh S. Adani, Director
Entities over which Key Management Personnel, Directors and their relatives are able to exercise Significant Influence	Gujarat Adani Institute of Medical Science Adani Wilmar Limited Shanti Builders Adani Foundation Mundra Port Pty Limited, Australia Abbot Point Port Holdings Pte Limited, Singapore Dholera Port and Special Economic Zone Limited Ezy Global Ignite Foundation

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

Sub Notes:

1 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.

2 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.

3 For the purpose of comparison, the previous year's transactions have been re-classified in the current year

(₹ In million)

Category	Name of Related Party	March 31, 2015	March 31, 2014
Income from Port Services /other operating income	Adani Enterprises Limited	3,525.8	2,918.7
	Adani Foundation	33.1	0.3
	Adani International Container Terminal Private Limited	690.9	428.8
	Adani Power Dahej Ltd	-	63.1
	Adani Power Limited	5,304.7	4,551.1
	Adani Power Maharashtra Ltd	1,002.7	331.0
	Adani Power Rajasthan Limited	1,001.3	507.6
	Adani Wilmar Limited	387.0	374.3
	Chemoil Adani Private Limited	327.0	301.5
Recovery of Expenses (Reimbursement)	Adani Foundation	0.2	-
	Adani CMA Mundra Terminal Private Limited	2.8	-
	Gautambhai S Adani Family Trust	0.3	-
Lease & Infrastructure Usage Income/ Upfront Premium	Adani International Container Terminal Private Limited	21.0	15.3
	Adani Power Limited	21.6	128.3
	Adani Wilmar Limited	5.6	5.4
Income from development of Container	Adani International Container Terminal Private Limited	-	3,624.4
Upfront Infrastructure Development Fees	Adani International Container Terminal Private Limited	-	750.0
Deferred Infrastructure Usage Charges (Amortised over a period of Agreement)	Adani International Container Terminal Private Limited	-	1,890.0
Sale of Electricity	Adani Power Limited	25.6	-
Purchase of Assets	Adani Power Dahej Ltd	1,142.2	-
Purchase of Spares and consumables, power and fuel	Adani Enterprises Limited	0.0	9.8
	Adani Power Dahej Ltd	3.8	-
	Adani Power Limited	91.0	723.3
	Chemoil Adani Private Limited	1,131.1	1,597.6
Services Availed (including reimbursement of expenses)	Adani Enterprises Limited	245.1	30.8
	Adani Gas Limited	0.0	-
	Adani Global F.Z.E.	0.9	-
	Adani Institute Of Infrastructure Managament	0.6	-
	Adani International Container Terminal Private Limited	1.2	-
	Petronet LNG Ltd.	0.3	0.1
	Adani Power Dahej Ltd	-	-
	Adani Wilmar Limited	-	0.3
	Adani Power Limited	108.8	28.6
	Shanti Builders	5.8	47.9
	Chemoil Adani Private Limited	-	1.7
Customer claim	Adani Enterprises Limited	-	99.2
Security Deposit & Service Line Contribution Received	Adani Power Limited	-	0.3
Rent charges	Adani International Container Terminal Private Limited	14.4	8.5
	Adani Properties Private Limited	0.7	0.6
Interest Income on deposits/deferred accounts receivable	Adani Agri Fresh Ltd.	1,192.5	-
	Adani Enterprises Limited	363.6	-
	Adani International Container Terminal Private Limited	36.3	80.0
	Adani Power Maharashtra Ltd	14.6	35.5
	Adani Power Rajasthan Limited	39.3	22.6
	Adani Power Limited	917.2	593.3
	Chemoil Adani Private Limited	147.1	121.9
	Adani Infra (India) Ltd	1,222.2	1,593.1
Interest Expense	Adani Enterprises Limited	-	24.0
Sale of scrap and Other miscellanous income	Adani Enterprises Limited	0.1	0.2
	Adani Foundation	-	-
	Adani International Container Terminal Private Limited	0.2	6.0
	Adani Power Limited	2.8	13.6
	Adani Power Dahej Ltd	-	0.4
	Adani Power Maharashtra Ltd	-	0.7
	Adani Power Rajasthan Limited	0.2	2.6
	Adani Wilmar Limited	0.6	0.5
	Chemoil Adani Private Limited	0.2	0.2
Borrowings (Loan Taken) Addition	Adani Enterprises Limited	-	5,845.0
Borrowings (Loan Repaid) Repaid	Adani Enterprises Limited	-	5,945.0
Deposit Given	Adani Enterprises Limited	-	2,500.0

(₹ In million)

Category	Name of Related Party	March 31, 2015	March 31, 2014
Loans Given	Adani Agri Fresh Ltd.	3,098.1	14,500.0
	Adani Enterprises Limited	12,530.0	-
	Adani International Container Terminal Private Limited	420.0	-
	Adani Power Limited	-	4,526.6
	Dholera Infrastructure Private Limited	0.2	0.1
	Chemoil Adani Private Limited	-	1,928.4
	Adani Infra (India) Ltd	2,793.1	6,428.5
Loans Received back	Adani Agri Fresh Ltd.	1,489.3	5,460.0
	Adani Enterprises Limited	12,530.0	-
	Adani Power Limited	-	5,066.6
	Chemoil Adani Private Limited	1,926.7	-
	Adani Infra (India) Ltd	1,033.1	-
	Mundra Port Pty Limited, Australia	-	684.6
Share Application Money Paid / Investment	Adani International Container Terminal Private Limited	-	459.1
	Adani Enterprises Limited	51.9	-
	Adani CMA Mundra Terminal Private Limited	152.0	-
Share Application Money Received / Received Back	Adani International Container Terminal Private Limited	-	95.7
	Adani Enterprises Limited	-	55.3
Donation	Adani Foundation	344.4	241.7
Sale of Assets	Adani International Container Terminal Private Limited	-	2,988.4
Sale or Redemption of Investment	S.B. Adani Family Trust (SBAFT)	1.3	-
Remuneration	Mr. Gautam S. Adani	18.0	18.0
	Mr. Rajeeva Ranjan Sinha	-	20.7
	Mr. Sudipta Bhattacharya	68.0	-
	Dr. Malay Mahadevia	103.9	101.0
Commission to Director	Mr. Gautam S. Adani	10.0	10.0
Sitting Fees	Mr. Rajesh S. Adani	0.5	0.6
Purchase of Investments	Adani Enterprises Limited	-	60.8
Corporate Guarantee (Deed of Indemnity) received	Abbot Point Port Holdings Pte Limited - Singapore	-	USD 800.00 mio
Corporate Guarantee Given	Adani International Container Terminal Private Limited	USD 40.50 mio	-
	Adani International Container Terminal Private Limited	1,650.0	-
Closing Balance			
Trade Receivable	Adani Enterprises Limited	476.0	338.2
	Adani Foundation	2.3	-
	Adani Global F.Z.E.	-	1.0
	Adani Infra (India) Ltd	1.0	1.0
	Adani International Container Terminal Private Limited	306.7	503.8
	Adani Mining Pvt.Ltd.	-	0.1
	Adani Power Dahej Ltd	226.9	226.9
	Adani Power Limited	6,329.3	5,675.7
	Adani Power Maharashtra Ltd	278.3	477.2
	Adani Power Rajasthan Limited	803.1	509.9
	Adani Wilmar Limited	47.7	47.2
	Chemoil Adani Private Limited	6.6	22.5
		8,477.9	**7,803.5**
Loans & Advances (including advance receivable in cash or kind)	Adani Agri Fresh Ltd.	10,648.8	9,040.0
	Adani Enterprises Limited	2,502.5	2,501.6
	Adani International Container Terminal Private Limited	420.0	-
	Adani Properties Private Limited	10.0	10.0
	Chemoil Adani Private Limited	1.5	1,928.4
	Adani Infra (India) Ltd	10,688.5	8,928.5
	Dholera Infrastructure Private Limited	87.9	87.7
		24,359.2	**22,496.2**
Capital Advances	Adani Power Limited	-	2,480.0
	Adani CMA Mundra Terminal Private Limited	2.8	-
	Chemoil Adani Private Limited	0.3	3.2
	Shanti Builders	-	1.4
		3.1	**2,484.6**

(₹ In million)

Category	Name of Related Party	March 31, 2015	March 31, 2014
Trade Payable (including provisions)	Adani Enterprises Limited	34.4	18.1
	Adani Gas Limited	0.0	0.0
	Adani International Container Terminal Private Limited	1.2	8.4
	Adani Power Limited	86.4	71.8
	Adani Power Dahej Ltd	3.6	-
	Adani Infra (India) Ltd	-	2.1
	Chemoil Adani Private Limited	16.4	-
	Petronet LNG Ltd.	0.3	-
	Adani Wilmar Limited	0.1	-
		142.4	**100.4**
Advances from Customer	Adani Enterprises Limited	268.8	63.5
	Adani Wilmar Limited	-	0.7
	Adani Power Limited	14.8	17.6
	Adani Power Maharashtra Ltd	-	37.2
	Adani Power Rajasthan Limited	-	42.7
	Chemoil Adani Private Limited	20.1	20.0
	Kutchh Power Generation Limited	32.1	32.1
		335.8	**213.8**
Other Current Assets	Adani Agri Fresh Ltd.	272.5	488.1
	Adani International Container Terminal Private Limited	225.0	308.2
	Adani Power Limited	970.9	471.0
	Adani Power Maharashtra Ltd	-	35.5
	Adani Power Rajasthan Limited	15.9	22.6
	Adani Wilmar Limited	27.7	25.4
	Chemoil Adani Private Limited	-	99.8
	Adani Infra (India) Ltd	470.3	1,033.1
	Abbot Point Port Holdings Pte Limited - Singapore	816.2	949.5
		2,798.5	**3,433.2**
Other Current Liabilities	Adani Enterprises Limited	10.7	10.0
	Adani International Container Terminal Private Limited	0.5	-
	Adani Power Dahej Ltd	22.4	-
	Adani Wilmar Limited	18.5	18.5
	Chemoil Adani Private Limited	2.5	2.5
	Shanti Builders	0.4	2.0
		55.0	**33.0**
Corporate Guarantee	Adani International Container Terminal Private Limited Adani International Container Terminal Private Limited Mundra Port Pty Ltd, Australia	USD 82.50 mio 1,650.0 USD 800.00 mio	USD 45.00 mio - USD 800.00 mio
Corporate Guarantee (Deed of indemnity received)	Abbot Point Port Holdings Pte Limited - Singapore	USD 800.00 mio	USD 800.00 mio

* Figures being nullified on conversion to ₹ in million.

32. The Company takes various types of derivative instruments to hedge its outstanding loans, interest payments, interest costs and USD denominated income . The category-wise outstanding position of derivative instruments is as under:

Nature	Particulars of Derivatives		Purpose
	As at March 31, 2015	As at March 31, 2014	
INR - Foreign Currency Swap	USD 434.16 Million	USD 460.89 Million	Hedging of equivalent rupee non convertible debentures aggregate of ₹ 18,293.9 million and ₹ 4,933.2 million of long term loan (previous year ₹ 19,883.9 million and ₹ 5,102.1 million of long term loan) to mitigate higher interest rate of INR loans against foreign currency loans with possible risk of principal currency losses.
Forward Contract(Income)	USD 20.25 Million	USD -	Hedging of expected future billing based on foreign currency denominated tariff USD 20.25 Million (previous year Nil).
	EUR 4.65 Million	EUR -	Hedging of foreign currency term loan installment liability of ₹ 312.4 million (previous year Nil)
Interest rate Swap	USD 5.00 Million	USD -	Hedging of interest rate on foreign currency term loan liability equivalent of USD 5 Million (previous year Nil)
Interest rate future on National Stock Exchange	INR 1,045.2 Million	INR -	Hedging of Interest costs on rupee term loan ₹ 1,045.2 million (previous year Nil)

The details of unhedged foreign currency exposures as at reporting date :

Nature	As at March 31, 2015		As at March 31, 2014	
	Amount	Foreign Currency	Amount	Foreign Currency
	(₹ In Million)	(in Million)	(₹ In Million)	(in Million)
Foreign Currency Loan	73,454.6	USD 1,175.27	73,621.3	USD 1,228.76
	4,610.4	EUR 68.62	6,827.0	EUR 82.57
	1,160.8	JPY 2,226.88	1,501.0	JPY 2,585.28
Buyer's Credit	4,798.9	USD 76.78	5,249.5	USD 87.61
	934.5	EUR 13.91	2,312.8	EUR 27.97
	-	GBP -	18.8	GBP 0.19
Trade Payables	185.1	USD 2.96	28.3	USD 0.47
	32.5	EUR 0.49	99.7	EUR 1.19
	4.3	JPY 8.29	-	-
	0.3	SGD 0.01	-	-
	-	GBP -	-	-
Other Current Liabilities	13.3	USD 0.21	-	-
	3.0	EUR 0.04	-	-
	0.1	JPY 0.16	-	-
Interest accrued but not due	442.6	USD 7.08	442.6	USD 7.39
	20.9	EUR 0.31	38.7	EUR 0.47
	10.4	JPY 19.88	13.4	JPY 23.08
	-	GBP -	0.1	GBP #
Other Receivable	816.2	AUD 17.17	949.5	AUD 17.17
	287.5	USD 4.60	-	-
	0.8	EUR 0.01	-	-

* Figures being nullified on conversion to ₹ in million.

Figures being nullified on conversion to foreign currency in million.

Closing rates as at March 31:

	2015	2014
INR / USD	62.50	59.92
INR / EUR	67.19	82.69
INR / GBP	92.47	99.77
INR / JPY	0.52	0.58
INR / AUD	47.54	55.30
INR / SGD	45.48	47.58

33. The Company has been availing benefit u/s 80IAB of the Income Tax Act, 1961 on the taxable income. 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 ₹ 4,506.0 million (previous year ₹ 4,636.3 million) for current taxation based on its book profit for the financial year 2014-15 and considered credit for MAT of ₹ 5,107.9 million (previous year ₹ 3,873.7 million) (read with note 39 (u)) as the management believes, it has convincing evidence in the nature 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, thereby, the MAT credit will be utilized post tax holiday period.

MAT credit of ₹ 159.4 million (previous year ₹ Nil) has been recognised in subsidiary entity, Adani Logistics Limited.

34. The MPSEZ Utilities Pvt Ltd is engaged in the business of distribution of power.Quantitative information in respect of purchase and sale of power as under :-

Sr. No.	Particulars	2014-15 Unit in Mus	2013-14 Unit in Mus
ia)	Unit Purchased (incl. of GETCO/WR Transmission Losses)	83.82	69.84
ib)	UI Purchased	2.09	2.90
i	Net Units Purchased	85.91	72.74
ii)	Unit Sold	77.73	65.56
iii)	Transmission & Distribution Losses	8.18	7.18
iv)	Transmission & Distribution Losses (%)	9.76%	10.28%

35 During previous year ended March 31, 2014 , the revenue from operations include the income from sale/ sub-lease of core port assets i.e. port container infrastructure, upfront infrastructure development fee and proportionate portion of deferred usages charges aggregating to ₹ 4,454.6 million on transfer of port terminal assets to Adani International Container Terminal Private Limited ("AICTPL"), a (50:50) Joint Venture entity between the Company and Mundi Limited. The corresponding related costs to the income were shown under head "Operating Expenses" and the value of port equipments and other miscellaneous assets related to port terminal sold to AICTPL was netted against the cost in the books of account as such assets were being acquired specifically for AICTPL and transferred on cost basis. The value of such asset was ₹ 5,976.7 million.

36 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 Million)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
A. **Project Expenditure**	9,686.3	16,336.6
B. **Capital Inventory**	2,978.5	3,192.8
C. **Expenditure during Construction Period :**		
Personnel Expenses		
Salaries, Wages & Bonus Contribution to	85.7	15.0
Provident Fund Workmen and Staff	3.3	1.1
Welfare Expense **Sub Total**	1.7	4.9
Other Expenses	90.7	21.0
Power & Fuel		
Insurance	20.8	14.8
Other Repairs and Maintenance Legal	6.4	1.9
and Professional Expenses Travelling	5.1	0.5
and Conveyance	286.2	11.4
Rent	34.5	20.4
Security Charges	15.7	93.3
Store and Consumables	10.4	10.8
Other Expenses	-	1.9
License Fee for water front & Installation Charges	501.7	16.4
Sub Total Financial	32.6	-
Expenses	913.4	171.4
Interest on Borrowings		
Bank Charges	122.9	214.2
Ancillary Cost of Borrowings	4.5	6.2
Sub Total	1.7	6.1
Interest Income on Bank Deposits	129.1	226.5
Depreciation	(5.6)	(23.1)
Total Expenditure (a)	772.2	795.0
Trial Run Income (net of expenses)	1,899.8	1,190.8
Scrap Sales	114.5	23.7
Miscellaneous Income	(54.2)	(31.8)
Total Income (b)	(12.3)	(7.8)
Net (a) + (b)	48.0	(15.9)
Brought Forward from Previous Year	1,947.8	1,174.9
Total	623.3	400.1
Amount capitalized during the year	2,571.1	1,575.0
Balance Carried Forward Pending Allocation / Capitalisation Foreign	(2,480.2)	951.7
exchange Fluctuation	90.7	623.3
Total Capital Work In Progress (A + B + C)	-	95.6
	12,755.5	20,248.3

Note:
The above expenditure excludes operational expenditure related to project assets, such as fuel and stores & spares consumption, which has been directly allocated as project expenditure.

37 **Capital and Other Commitments**

Capital Commitments

(₹ In Million)

Particulars	As at March 31, 2015	As at March 31,2014
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	26,330.2	7,118.5

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 subsidiary companies/joint venture company from the banks, the Company has executed a Sponsor Undertaking and Pledge Agreements whereby 51% of the holding would be retained by the Company 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. The details of shareholding pledged by the Company is as follows :

Name of Subsidiaries / Joint Ventures	**% of Non disposal undertaking (Apart from pledged)**	**% of Share Pledged of the total shareholding of investee company**	
		As on March 31,2015	**As on March 31,2014**
Adani Petronet (Dahej) Port Private Limited	21%	30%	30%
Adani Mormugao Port Terminal Private Limited	21%	11%	11%
Adani Hazira Port Private Limited	21%	27%	30%
Adani Vizag Coal Terminal Private Limited	21%	26%	30%
Adani International Container Terminal Private Limited	21%	13%	3%
The Dhamra Port Company Limited	21%	17%	NA

b) In terms of arrangement with Adani Enterprises Limited, the holding company, the Company has proposed to purchase equity share and consequential economic interest / ownership rights thereunder in respect of Adani Murmugoa Port Terminal Private Limited, subsidiary company where equity shares to the extent of 26% are also held by holding company. The Company is in the process of obtaining regulatory approvals to get the share transferred in it's own name. In the meantime, the Company has advanced unsecured loans to this subsidiary as promoter's contribution for funding the ongoing projects.

c) The Company has entered into an agreement / MOU with the Holding Company to either purchase or lease corporate office space of 5 lacs square feets. The Company has given deposit of ₹ 2500.0 million as per the agreement / MOU to secure its rights valid till March 31, 2017.

38 **Disclosure pursuant of Accounting Standard (AS) – 7 (revised) – Construction Contracts are as under**

(₹ In Million)

Particulars	As at March 31, 2015	As at March 31,2014
a) Contract revenue recognized during the year	101.7	742.1
b) Disclosure for Contract in Progress		
(i) Aggregate amount of contract costs incurred up to date	58.2	1,215.6
(ii) Recognised Profit (Less recognised losses)	43.5	1,169.5
(iii) Customer advances outstanding	-	30.0
(iv) Retention money due from customers	28.7	63.3
c) Amount due from customers	-	-
d) Amount due to customers	-	83.3

39 **Contingent Liabilities not provided for**

(₹ In Million)

S.No	**Particulars**	**As at March 31, 2015**	As at March 31,2014
a.	Corporate Guarantees given to banks and financial institutions against credit facilities availed by the joint venture entities. Amount outstanding there against ₹ 6,634.4 million (previous Year ₹ 2,642.5 million).	6,681.3	2,696.2
b.	Corporate Guarantee given to a bank for credit facility availed by erstwhile subsidiary company, Mundra Port Pty Limited ,Australia. Read with refer note (v). (Amount outstanding there against ₹ 30,437.5 million (previous Year ₹ 47,932.0 million).	(Refer note (v))	(Refer note (v))
c.	Bank Guarantees and Letter of Credit facilities availed by the joint venture entities against credit facilities sanctioned to the company.	3.1	38.7
d.	Bank Guarantees given to government authorities and banks (also includes DSRA bank guarantees given to Bank on behalf of subsidiaries and erstwhile subsidiaries.)	1,476.4	1,956.4

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.	9.4	304.9
f.	Show cause notices from the Custom Authorities against duty on port related cargo. The Company has given deposit of ₹ 0.5 million (previous year ₹ 0.5 million) 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.	1.9	4.6
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.	2.5	2.5
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, 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. The Excise department has demanded recovery of the duty along with penalty and interest thereon. The Company has given deposit of ₹ 45.0 million (Previous Year: ₹ 45.0 million) against the demand. The matters are pending before 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. Subsequent to year end, the Company has received favourable order from High Court of Gujarat against the demand in respect of dispute relating to financial year 2005-06.	1,118.0	1,016.4
i.	Show cause notices received from Commissioner of Customs and Central Excise, Rajkot in respect of levy of service tax on various services provided by the Company and wrong availment of CENVAT credit by the Company. The matter is currently pending at High Court of Gujarat ₹ 67.2 million (previous Year ₹ 67.2 million); Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad ₹ 1.5 million (previous Year ₹ 1.5 million) and Commissioner of Service Tax Ahmedabad ₹ 0.3 million (previous Year ₹ 0.3 million). 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.	69.0	69.0
j.	Show cause notice received from Commissioner of Customs, Mundra in respect of recovery of cost recovery charges of customs estalibshment at Mundra Port ₹ 111.5 million (previous year Nil) from the Company for the financial year 2013-14 and 2014-15. The Company has given deposit of ₹ 49.9 million (previous year Nil) against the demand. The Company had filed proposal for waiver of cost recovery charges claiming fulfilment of conditions prescribed under the board Circular No.16/2013-Cus dated 10.04.2013. The management is reasonably confident that proposal for waiver of cost recovery charges has been accepted by the department. Hence no liability has been recognised in the books of accounts.	111.5	-
k.	Company has imported Tamping Machine & Spare parts system - Plasser Theurer duty free under the EPCG Scheme for which an export obligation of ₹ 177.3 million that is equivalent to 6 times of duty saved. The export obligation has to be completed by F.Y. 2019-20.	29.5	29.5
l.	The Company has disputed tax demand for assessment years 2008-09, 2009-10, 2010-11 and 2011-12.The management is reasonably confident that no liability will be devolve on the Company.	Refer note (u) below	520.1
m.	The subsidiary companies has imported capital good for its Container and Multipurpose Port Terminal Project under the Export Promotion Capital Goods Scheme of the Government of India at concessional rate of custom duty by undertaking obligation to export. Future outstanding export obligation under the scheme is ₹ 19,207.3 million (previous year ₹ 16,139.2 million) which is equivalent to 8 times of duty saved. The export obligation has to be completed by 2017-18, 2018- 19 and 2019-20.	3,522.6	2,131.2
n.	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.	168.1	168.1

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. The management is of the view that no liability shall arise on the subsidiary companies.	645.2	470.4
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 ₹ 8.0 million on the Company. The Company has filed an appeal against the said demand. The provision has not been made in books of account as the Company is hopeful of defending its claim before the authorities and disclosed under contingent liabilities. The Company has paid ₹ 4.0 million under protest.	8.0	8.0
q.	Notice received from Superintendent of Service Tax Department and show cause from Directorate General of Central Excise Intelligence for non payment of service tax on domestic air travel and on certain foreign travel on reverse base mechanism. 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 subsidiary company. (This amount is net off of ₹ 3.5 million paid under protest).	33.6	33.6
r.	Statutory claims not acknowledged as debts	4.6	4.6
s.	Interest claims not acknowledged as debts	11.5	6.9
t.	Bills Discounted with Banks	4,496.7	-

(u) The Company earns interest income on funds lend to various parties. The Company contends that such interest income are earned from existing and potential business associate and whereby concluded that such interest income has arisen from the Company's business activities and can be netted off with the total 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 Company has been assessed on similar basis by the income tax authorities in respect of assessment years upto 2011–12 based on order of CIT (Appeals). The income tax authorities have filed appeal with Income Tax Appellate Tribunal in the matter as regards netting off interest income with interest expenditure.
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 financials year 2012-13, 2013-14 and 2014-15 and hence no provision is made in the books of account against such interest income. Based on this the Company has accounted higher Minimum Alternate Tax ('MAT') credit of ₹ 1,369.6 million during the year (including ₹ 590 million in respect of earlier years).

(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 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 sales consideration except AUD 17.17 millions on reporting date. The Company also has outstanding corporate guarantee to 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, 2015 is USD 487.00 million.

During previous year, the Company has received corporate guarantee ('Deed of Indemnity') against above outstanding corporate guarantee from Abbot Point Port Holding Pte Limited, Singapore.

40 **Interest in a joint venture**

The company holds 50% interest in Adani International Container Terminal Private Limited and Adani CMA Mundra Terminal Private Limited, jointly controlled entities which are developing container terminal and associated facilities.

The company's share of the assets, liabilities, income and expenses of the jointly controlled entity for the year ended 31, 2015 is as follows:

(₹ In Million)

Particulars	Adani CMA Mundra Terminal Private Limited#		Adani International Container Terminal Private Limited	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Share Capital and Reserve & Surplus	312.9	-	2,624.9	2,905.2
Non-current liabilities	-	-	5,298.8	5,241.0
Current liabilities	2.8	-	3,384.9	3,447.3
Non-current assets	-	-	11,131.6	11,254.8
Current assets	315.7	-	177.0	338.7
Revenue	17.8	-	1,842.3	1,119.3
Operating Expenses	-	-	(427.3)	(260.6)
Terminal Royalty Expenses	-	-	(319.9)	(189.9)
Employee Benefit Expenses	-	-	(31.7)	(21.3)
Depreciation of plant and machinery	-	-	(593.8)	(481.1)
Other expense	-3.1	-	(41.3)	(26.7)
Finance charges	-	-	(578.7)	(483.5)
Profit / (Loss) before tax	14.7	-	(150.4)	(343.8)
Income-tax expense	-5.8	-	(130.1)	(0.5)
Profit / (Loss) after tax	8.9	-	(280.5)	(344.3)

Incorporated during the year

41 The Company has acquired the 100% Equity share in The Dhamra Port Company Limited "(DPCL)", consequently DPCL has become wholly owned subsidiary of the Company w.e.f. June 23, 2014. The results of these subsidiary, after elimination of inter company transactions and balances, as included in the Consolidated Financial Statements for the year ended March 31, 2015 are given below:

(₹ In Million)

Particular	As at March 31, 2015
Non-current liabilities	
Long-term borrowings	22,250.0
Long-term liabilities	342.4
Long-term provisions	16.5
Total Non-current liabilities	**22,608.9**
Current liabilities	
Short-term borrowings	-
Trade payables	479.3
Other current liabilities	1,246.0
Short-term provisions	-
Total Current liabilities	**1,725.3**
ASSETS	
Non-current assets	
Fixed assets	31,341.9
Long-term loans and advances	1,726.2
Other non-current assets	144.5
Total Non-current assets	**33,212.6**
Current assets	
Current investments	
Inventories	279.9
Trade receivables	3,371.2
Cash and cash equivalents	10.9
Short-term loans and advances	298.8
Other current assets	179.6
Total Current assets	**4,140.4**
Particular	**For the period June 23, 2014 to March 31, 2015**
Total Revenue	7,281.4
Total Expenses	6,092.1
Profit Before Tax	1,189.3
Tax expense	-
Profit for the period	1,189.3

42 The Company has entered into preliminary agreement with one of the party for development and maintenance of Liquefied Natural Gas (LNG) infrastructure facilities at Mundra (Mundra LNG Project) vide agreement dated September 30, 2014. The Company and the party are in the process of concluding a definitive agreement for Mundra LNG Project relating to development and lease of infrastructure facilities (including lease of land). Pending conclusion of definitive agreement, the Company has recognised project service revenue of ₹ 2000 million towards land reclamation based on the activities completed and land being made available to the party for setting up the project facilities. The cost of service is expensed in statement of Profit and loss. The possible adjustments, if any, will be accounted later on execution of definitive agreement although the management does not expect any further adjustment.

43 The Company had received a show cause notice from Ministry of Environment and Forest ("MoEF") during the previous year wherein, the Company was asked to meet certain condition and compliance thereof. The Company had filed its reply to the aforesaid show cause notice and is confident of having no liability in the matter. Subsequently, the company has received environment & CRZ clearance for multi -product SEZ at Mundra from MoEF vide their order dated July 15, 2014. Also, the management is confident of recovery of certain receivables from customers which remained overdue as at year end on account of pending environment clearance.

44 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.

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit / (loss)	
	As % of consolidated net assets	Amount ₹ In Million	As % of consolidated profit / (loss)	Amount ₹ In Million
Parent Company				
Adani Ports and Special Economic Zone Limited	19.56%	21,375.4	90.01%	20,832.2
Subsidiary Companies				
Indian				
The Dhamra Port Company Limited	13.60%	14,861.3	4.33%	1,001.3
Adani Hazira Port Private Limited	15.11%	16,508.9	3.11%	720.7
Adani Petronet Dahej Port Private Limited	8.48%	9,265.1	3.80%	879.3
Mundra Solar Technopark Private Limited	0.00%	0.9	0.00%	-1.0
Adani Murmugao Port Terminal Private	4.27%	4,668.3	-1.22%	-281.4
Adani Logistics Limited	18.90%	20,654.1	2.06%	477.8
Adani Vizag Coal Terminal Private Limited	2.30%	2,516.3	-0.87%	-201.9
Adani Warehousing Services Private Limited	0.00%	1.0	-0.01%	-1.4
Adani Hospitals Mundra Private Limited	0.03%	38.1	-0.05%	-8.8
Mundra International Airport Private Limited	0.09%	102.7	-0.04%	-10.2
Mundra Sez Textile And Apparel Park Private	0.36%	390.5	-0.31%	-72.6
MPSEZ Utilities Private Limited	1.20%	1,307.3	0.54%	120.2
Adani Ennore Container Terminal Pvt Ltd	0.59%	647.6	0.00%	-
Karnavati Aviation Private Limited	1.68%	1,840.6	-0.32%	-73.5
Hazira Infrastructure Private Limited	0.45%	491.3	0.03%	7.2
Hazira Road Infrastructure Private Limited	0.00%	0.7	0.00%	-1.0
Adani Kandla Bulk Terminal Private Limited	8.75%	9,559.4	-0.24%	-56.4
Minority interest in all subsidiaries	1.45%	1,589.8	-0.44%	-101.6
Associates (Investments as per equity method)				
Indian				
Dholera Infrastructure Private Limited	0.00%	2.0	0.00%	-
Joint Ventures (as per proportionate consolidation method)				
Indian				
Adani International Container Terminal Private Limited	2.58%	2,815.3	-0.39%	-91.1
Adani CMA Mundra Terminal Private Limited	0.57%	619.6	0.04%	8.9
Controlling interest				
Indian				
Adinath Polyfills Private Limited	0.01%	12.3	-0.02%	-5.1
Total	100.00%	109,268.5	100.00%	23,143.3

45 The East Coast Railway uses the Company's railway line between Dhamra and Bhadrak for transport of goods. Pending finalisation of the agreement, share of revenues of ₹ 1,681.2 million (Previous year ₹ 1,792.7 million) from East Coast Railway has been computed and recognized in the financial statements in accordance with the policy for participative models in rail-connectivity and capacity augmentation issued by Railway Board vide policy letter No.2011/Infra/12/32 dated 10.12.2012. The Company has received a letter dated 02.05.2013 giving approval for the inclusion of the railway line under the policy. Total outstanding receivable from ECoR, computed and recognised based on principles specified in letter dated 20th December, 2013, as at 31st March, 2015 amounts to ₹ 1,523.3 million (31st March, 2014 ₹ 3,070.0 million) for which management is confident of recovery eventhough the amounts are received from Railways on piecemel basis.

46 The board of directors of Adani Ports and Special Economic Zone Ltd. ("APSEZ") in their meeting held on January 30, 2015, approved the composite scheme of arrangement for demerger of the diversified businesses of its parent company, Adani Enterprises Limited ("AEL"), involving demerger of the Port undertaking of AEL comprising the undertaking, businesses, activities, operations, assets (moveable and immoveable) and liabilities pertaining to the Belekeri port and the shareholding of AEL in APSEZ. As per the scheme, the shareholding of AEL in APSEZ shall be cancelled once being made effective and APSEZ shall issue new equity Shares to the equity shareholders of AEL in the ratio of 14,123 Equity Shares in APSEZ for every 10,000 equity shares held by such equity shareholder of AEL in AEL as of the "Record Date" to be determined for the purpose of the scheme. The appointed date of the scheme, being the date on which the Port undertaking shall vest in the APSEZ, has been fixed as April 01, 2015.

During the year, the Company had received the approval of Bombay Stock Exchange (India) Limited and the National Stock Exchange of India Limited for the composite scheme. The shareholders of the Company have approved the above Composite Scheme of Arrangement by Postal Ballot and Court Convened Meeting on April 19, 2015 and April 20, 2015 respectively. The said scheme is subject to the approval of Hon'ble High court of Gujarat and such other regulatory and statutory approvals as may be required.

47 **Previous year figures**

Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

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

per Arpit K. Patel
Partner

Membership No. 34032

Place : Ahmedabad
Date : May 01, 2015

For and on behalf of the Board of Directors

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

Rajesh S. Adani
[Director]
DIN : 00006322

Sudipta Bhattacharya
[Wholetime Director]
DIN : 06817333

B Ravi
[Chief Financial Officer]

Dipti Shah
[Company Secretary]
Place : Ahmedabad
Date : May 01, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of Adani Ports and Special Economic Zone Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated 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") its associates and joint controlled entities, comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated 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 financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and 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 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 control 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 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 paragraph (a) of the Other Matters 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, the consolidated 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, its associates and jointly controlled entities as at March 31, 2016, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

(a) Note 38 (u) of the accompanying consolidated 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 benefit on the same, as per provision of section 80IAB of the Income Tax Act, 1961, more fully described in the said note.

(b) Note 40 of the accompanying consolidated financial statements regarding the basis of recognition of certain projects service revenue during the previous year, as more fully described in the said note.

(c) Note 44 of the accompanying consolidated financial statements regarding the accounting treatment followed by, as per the composite scheme of arrangement between Adani Enterprises Limited and the Company, approved by the High Court of Gujarat.

Our conclusion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, 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 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, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group's companies, its associates and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(a) 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, associate companies and jointly controlled companies incorporated in India, refer to our separate report in "Annexure 1" to this report;

(f) 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 consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 38 to the consolidated financial statements;

ii. Provision has been made in the consolidated 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 Note 9 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and 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, associates and jointly controlled companies incorporated in India.

Other Matter

The accompanying consolidated financial statements include total assets of ₹ 81,141.8 millions as at March 31, 2016, and total revenues and net cash inflows of ₹ 16,315.8 millions and ₹ 728.1 millions for the year ended on that date respectively, in respect of 12 subsidiaries, which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Company's share of net loss of ₹ 43.3 millions for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of an associate, whose financial statements, other financial information have been audited by other auditors and whose 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 associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such other auditors.

Our opinion on the consolidated 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 and the financial statements and other financial information certified by the Management.

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 3, 2016

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

PARTICULARS	Notes	As at March 31, 2016 ₹ In million	As at March 31, 2015 ₹ In million
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	4	4,170.0	4,168.2
Reserves and Surplus	5	128,066.3	103,510.5
Sub Total		132,236.3	107,678.7
Minority Interest		1,428.8	1,589.8
NON-CURRENT LIABILITIES			
Long-Term Borrowings	6	163,055.6	138,497.8
Deferred Tax Liabilities (net)	7	10,665.3	8,590.2
Other Long Term Liabilities	8	6,063.5	6,845.6
Long-Term Provisions	9	730.7	2,927.8
Sub Total		180,515.1	156,861.4
CURRENT LIABILITIES			
Short Term Borrowings	10	31,941.6	13,055.5
Trade Payables	11		
-Total Outstanding dues of Micro and Small Enterprises		3.2	3.0
-Total Outstanding dues of creditors Other than Micro and Small Enterprises		4,045.2	3,620.4
Other Current Liabilities	12	42,475.2	33,213.7
Short-Term Provisions	9	999.3	4,799.4
Sub Total		79,464.5	54,692.0
Total		393,644.7	320,821.9
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible Assets	13	183,392.4	178,076.6
Intangible Assets	13	1,125.7	1,195.1
Capital Work-In-Progress	35	23,866.3	12,755.5
		208,384.4	192,027.2
Goodwill on Consolidation		25,997.2	25,997.2
Non-Current Investments	14	2,078.9	573.5
Deferred Tax Assets	7	0.7	-
Loans and Advances	15	76,967.7	24,901.3
Trade Receivables	18	220.0	4,388.6
Other Non-Current Assets	19	13,380.6	5,025.5
Sub Total		327,029.5	252,913.3
CURRENT ASSETS			
Current Investment	16	1,365.7	2,028.7
Inventories	17	2,137.4	2,591.9
Trade Receivables	18	19,436.9	12,877.7
Cash and Bank Balances	20	12,909.5	6,337.8
Loans and Advances	15	23,359.7	37,438.0
Other Current Assets	19	7,406.0	6,634.5
Sub Total		66,615.2	67,908.6
Total		393,644.7	320,821.9
Summary of significant accounting policies.	3.1		

The accompanying notes are 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 03, 2016

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]

Dipti Shah [Company Secretary]

Place : Ahmedabad
Date : May 03, 2016

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

PARTICULARS	Notes	For the Year ended March 31, 2016 ₹ In million	For the Year ended March 31, 2015 ₹ In million
INCOME			
Revenue from Operations (Net)	21	72,557.3	61,519.8
Other Income	22	6,848.2	6,856.4
Total Revenue		79,405.5	68,376.2
EXPENSES			
Operating Expenses	23	17,918.1	16,562.1
Employee Benefits Expense	24	2,821.7	2,371.6
Finance Costs	26	10,990.4	11,750.6
Depreciation and Amortization Expense (Refer Note 3.1(a)(i) and (iii))		10,794.4	9,116.8
Other Expenses	25	5,312.3	3,563.0
Total Expenses		47,836.9	43,364.1
Profit before Tax		31,568.6	25,012.1
Tax Expenses:			
- Current Tax (Minimum Alternate Tax) (MAT) (Refer Note 33)		7,333.6	5,392.0
- MAT Credit Entitlement (Incl. additional MAT credit, Refer note 38 (u))		(6,136.0)	(5,267.3)
- Excess provision of Earlier Years Written Back		(2.7)	(312.9)
- Deferred Tax Charge		2,074.3	1,955.4
Profit After Tax and before share of (Loss)/Profit from associates		28,299.4	23,244.9
Add :- Share of (loss) from Associates		(46.8)	-
		28,252.6	23,244.9
Net Profit for the year attributable to			
- Minority Interest		(421.0)	101.6
-Equity Holders of the parent		28,673.6	23,143.3
Earning per Equity Share (in ₹) face value of ₹ 2 each	27		
- Basic		13.8	11.2
- Diluted		13.8	11.2
Summary of significant accounting policies.	3.1		

The accompanying notes are 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 03, 2016

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]

Dipti Shah [Company Secretary]

Place : Ahmedabad
Date : May 03, 2016

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	PARTICULARS	For the year ended March 31, 2016 ₹ In million	For the Year ended March 31, 2015 ₹ In million
A	**Cash Flow from Operating Activities**		
	Net profit before tax	**31,568.6**	25,012.1
	Adjustments for :		
	Depreciation and Amortisation Expense	**10,794.4**	9,116.8
	Unclaimed Liabilities / Excess Provision Written Back	**(138.5)**	(422.7)
	Amortisation of Cost of Land Lease	**60.9**	0.2
	Amortisation of Amounts Received under Long Term Land Lease/ Infrastructure Usage Agreements	**(409.5)**	(408.9)
	Interest Expense	**11,544.2**	11,868.7
	Amortisation of Ancillary Finance Cost	**697.8**	573.5
	Service Line Contribution amortized during the year	**(4.3)**	(1.9)
	Unrealised Foreign Exchange Loss	**979.6**	555.7
	Derivative (Gain)	**(1,251.6)**	(691.6)
	Provision for doubtful debts	**76.5**	49.6
	Provision for doubtful advances	**137.6**	-
	Interest Income	**(6,204.7)**	(6,010.4)
	Dividend Income	**(18.8)**	(112.4)
	Profit on sale of current investments	**(300.5)**	(78.4)
	Loss on sale of fixed assets	**29.1**	-
	Profit on sale of non current investment	**(3.5)**	-
	Operating Profit before Working Capital Changes	**47,557.3**	39,450.3
	Adjustments for :		
	(Increase)/Decrease in Trade Receivables	**(2,436.7)**	534.1
	(Increase) in Inventories	**(47.1)**	(661.9)
	(Increase) in Other Assets	**(7,426.5)**	(3,487.1)
	(Increase) in Loans and Advances	**(4,935.3)**	(823.4)
	Increase in Provisions	**213.2**	130.4
	Increase/(Decrease) in Trade Payables	**379.4**	(631.8)
	(Decrease)/Increase in Other Liabilities	**(65.7)**	928.3
	Cash Generated from Operations	**33,238.6**	35,438.9
	Direct Taxes (paid) (Net of Refunds)	**(7,452.3)**	(4,868.2)
	Net Cash Flow From Operating Activities	**25,786.3**	30,570.7
B	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets including Capital work in progress and Capital Advance	**(25,268.1)**	(18,010.2)
	Capital Advance received back	**-**	5,550.0
	Deposits given against Capital Commitments	**(9,145.0)**	-
	Payment/Advance paid towards acquisition of subsidiaries	**(3,020.0)**	(22,426.9)
	Investment made in Non Convertible Redeemable Debentures	**(1,500.0)**	-
	Purchase of Non current Investment	**(24.4)**	-
	Proceed from Sale of Investment in Associates and others	**19.0**	1.3
	Sale/(Purchase) of investments in Mutual Fund (net) (Refer note 3)	**963.5**	(1,969.3)
	Inter-Corporate Deposits/ Loans given	**(48,033.3)**	(19,289.6)
	Inter-Corporate Deposits/ Loans received back	**37,758.2**	21,212.8
	Proceeds from / (Deposits in)Fixed Deposits with a maturity period of more than 90 days (net)	**(3,935.5)**	2,311.3
	Proceeds from sale of Fixed Assets	**145.6**	170.9
	Dividend received	**18.8**	190.8
	Interest received	**5,465.1**	7,406.6
	Net Cash Flow Used in Investing Activities	**(46,556.1)**	(24,852.3)

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	PARTICULARS	For the year ended March 31, 2016 ₹ In million	For the Year ended March 31, 2015 ₹ In million
C	**Cash Flow from Financing Activities**		
	Proceeds from Long Term Borrowings (including Bond Issue Proceeds)	**137,990.4**	51,055.4
	Repayment of Long Term Borrowings (including Debentures)	**(112,035.5)**	(47,084.5)
	Proceeds from Short Term Borrowings	**161,806.2**	14,773.8
	Repayment of Short Term Borrowings	**(142,908.7)**	(5,966.0)
	Interest & Finance Charges Paid	**(12,136.3)**	(12,002.2)
	(Loss) on settlement/cancellation of derivative contracts	**(2,171.0)**	(773.0)
	Cost of Issuance of Bonds/ Debentures and Premium paid on redemption of debentures	**(886.2)**	-
	Payment of Dividend on Equity and Preference Shares	**(4,550.5)**	(2,069.1)
	Tax on Equity and Preference Shares Dividend Paid	**(927.4)**	(351.8)
	Service Line Contribution received	**31.0**	0.9
	Inflow from Minority Shareholder	**260.0**	51.2
	Net Cash Flow From Financing Activities	**24,472.0**	(2,365.3)
D	**Net Increase in Cash and Cash Equivalents (A+B+C)**	**3,702.2**	3,353.1
E	**Cash and Cash Equivalents at the Beginning of the Year**	**4,854.9**	1,501.7
F	**Cash and Cash Equivalents on acquisition of subsidiary**	**-**	0.1
G	**Cash and Cash Equivalents at the End of the Year**	**8,557.1**	4,854.9
H	**Components of Cash & Cash Equivalents**		
	Cash on Hand	**0.6**	1.3
	Cheques on hand	**1,500.0**	1,000.0
	Balances with Scheduled Banks		
	- On Current Accounts	**5,978.4**	696.6
	- On Current Accounts Earmarked for unpaid dividend	**15.0**	10.4
	- On Fixed Deposit Accounts	**1,063.1**	3,146.6
I	**Cash and Cash Equivalents at the end of the year (Refer note 20)**	**8,557.1**	4,854.9
	Summary of Significant Accounting Policies	**3.1**	

Notes:

1 The Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard-3 on Cash Flow Statements notified under Section 133 of the Companies Act, 2013 read together with Paragraph 7 of the Companies (Accounts) Rule, 2014.

2 During the year ended March 31, 2016, the Company has converted inter corporate deposit of ₹ 500.5 million given to BMV Developers Private Limited in to Security Deposit. Thus, the impact of this transaction has not been given in the cash flow statement.

3 Purchase of investment in Mutual Fund of ₹ 448,965.7 million (previous year ₹ 105,563.2 million) and sale of Mutual Fund of ₹ 449,929.3 million (previous year ₹ 103,592.9 million).

4 Previous year's figures have been regrouped where necessary to confirm to this year's classification.

As per our report of even date

For S R B C 13 CO LLP
Firm Registration No.: 324982E/E300003
Chartered Accountants

per Arpit K. Patel
Partner

Membership No. 34032

Place: Ahmedabad
Date : May 03, 2016

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]

Dipti Shah
[Company Secretary]

Place: Ahmedabad
Date : May 03, 2016

1 Corporate information

Adani Ports and Special Economic Zone Limited ('the Company', 'APSEZL') is in the business of development, operations and maintenance of port infrastructure has linked multi product Special Economic Zone (SEZ) and related infrastructure contiguous to Mundra port. The initial port infrastructure facilities at Mundra including expansion thereof through development of additional 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. 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, Mundra to handle coal cargo. The said agreement is in the process of getting signed with GoG and GMB although the part of the Coal terminal at Wandh is recognised as commercially operational w.e.f. February 01, 2011.

The Container terminal facilities (CT-1) initially developed was transferred under sub-concession agreement between Mundra International Container Terminal Limited (MICTL) (erstwhile Adani Container (Mundra)Terminals Limited) and the Company entered into, on January 7, 2003 wherein APSEZL has given rights to MICTL to handle the container cargo for a period of 28 years i.e. up to February 17, 2031. Similarly container terminal facilities developed as 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.

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

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 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 74% 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) Hazira Road Infrastructure Private Limited, a step down subsidiary of APSEZL, a 100% subsidiary of Adani Hazira Port Private Limited has decided to foreclose the plan to develop highway infrastructure project and wind up the Company.

xi) Adinath Polyfills Private Limited - the Company has strategically acquired the entity with full controlling interest.

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 International Container Terminal Private Limited, is a 50% joint venture of APSEZL. The Company is engaged in operating container terminal based on sub concession from APSEZL and associated facilities at Mundra South Zone.

xiv) Adani Kandla Bulk Terminal Private Limited, is a 74% subsidiary of APSEZL. The Company has developed a Dry Bulk terminal off Tekra near Tuna outside Kandla creek at Kandla Port.

xv) Adani Warehousing Services Private Limited, is a 100% subsidiary of APSEZL. The Company is formed to provide warehousing / storage facilities and other related services.

xvi) 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.

xvii) Adani Hospitals Mundra Private Limited, is a 100% subsidiary of APSEZL. The Company provides hospital and related services at Mundra.

xviii)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.

xix) Adani CMA Mundra Terminal Private Limited, a 50:50 joint venture company with CMA Terminal, France, was incorporated on July 30, 2014 for development of container terminal port facilities based on sub concession from APSEZL at Mundra south zone.

xx) Adani Food and Agro Processing Park Private Limited is incorporated on May 05, 2015, as a 100% subsidiary of the Company. The Company is formed to provide food and agro processing related infrastructure services at Mundra.

xxi) Abbott Point Operations Pty Limited is incorporated on May 15, 2015 as a 100% subsidiary of the Company .

xxii) Adani Vizhinjam Port Private Limited is incorporated on July 27, 2015 as a 100% subsidiary of the Company. The Company is developing port and other related infrastructure at Vizhinjam.

xxiii) Adani Kattupalli Port Private Limited 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.
The Subsidiary company enters into implementation agreement with L&T shipbuilding Limited (LTSB) and Larsen & Toubro Limited on November 9th 2015 to transfer the Port business of LTSB subject to the approvals from authorities and till the approval received, the company has decieded to operate the port.

xxiv) Dhamra LPG Terminal Private Limited is incorporated on August 25, 2015 as a 100% subsidiary of The Dhamra Port Company Limited (a wholly owned subsidiary of APSEZL). The Company formed with an objective for development of LPG storage and evacuation facilities at Dhamra.

xxv) Adani LPG Terminal Private Limited is incorporated on September 04, 2015 as a 100% subsidiary of APSEZL. The Company formed with an objective for development of LPG storage and evacuation facilities at Mundra.

xxvi) Dhamra LNG Terminal Private Limited is incorporated on August 25, 2015 as a 100% subsidiary of The Dhamra Port Company Limited (a wholly owned subsidiary of APSEZL). The Company formed with an objective for development of LNG storage and evacuation facilities at Dhamra.

xxvii)Mundra Solar Technopark Private Limited (MSTPL) incorporated on March 10, 2015 was a 100% subsidiary of APSEZL up to September 02, 2015. The Company is formed with an objective for development of Electronic Manufacturing Cluster to provide world class infrastructure for attracting investments in the electronics systems Design and Manufacturing (ESDM) sector at Mundra. During the year, MSTPL had become associate w.e.f. September 03, 2015 to March 05, 2016.

2. Principles of consolidation

The Consolidated financial statements relates to the Adani Ports Group which comprises the financial statements of APSEZL and its subsidiaries, associates and joint ventures (hereinafter collectively referred to as " the Group") as at March 31, 2016. In the preparation of consolidated financial statements, investment in the subsidiaries, associates and joint venture have been accounted for in accordance with Accounting Standard (AS) 21 - 'Consolidated Financial Statements', AS 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements' and AS 27 - 'Financial Reporting of Interests in Joint Ventures', as notified under Section 133 of the Companies Act 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014. Consolidated financial statements have been prepared on the following basis:

i) Subsidiaries are fully consolidated from the date of acquisition and incorporation, being the date on which the Group obtains control, and continues to be consolidated until the date that such control ceases (including through voting rights). Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions. The unrealized profits resulting from intra-group transactions that are included in the carrying amount of assets are eliminated in full and unrealized losses resulting from intra-group transactions that are deducted in arriving at the carrying amount of assets are also eliminated unless cost cannot be recovered.

ii) The excess of the cost to the Company of its investment in subsidiaries over the Company's portion of equity on the acquisition date is recognized in the financial statements as goodwill and is tested for impairment annually. When there is excess of Company's portion of equity of the Subsidiary over the cost of the investment then it is treated as Capital Reserve.

iii) Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the statement of profit and loss and consolidated balance sheet, separately from parent shareholders' equity. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the Parent Company.

iv) Translation of the financial statements of non integral foreign subsidiaries for incorporation in the consolidated financial statements have been done using the following exchange rates:

(a) Assets and liabilities have been translated by using the rates prevailing as on the date of the balance sheet.

(b) Income and expense items have been translated by using the average rate of exchange prevailing during the year, which approximates to the exchange rate prevailing at the transaction date.

(c) Exchange difference arising on translation of financial statements of non integral operations as specified above is recognised in the Foreign Currency Translation Reserve until the disposal of net investment.

v) The difference of the proceed from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of profit and loss being the profit or loss on disposal of investment in subsidiary.

vi) Financial statements of the subsidiaries, joint venture and associates are prepared for the same reporting year as the parent company, using consistent accounting policies. As far as possible, the consolidated financial statements have been prepared using uniform accounting policies, consistent with the Company's standalone financial statements for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements. Any deviation in accounting policies is disclosed separately.

vii) In case of associates where the Company has significant influence or hold directly or indirectly through subsidiaries 20% or more of equity shares, investment in associates are accounted for using equity method in accordance with AS 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements', as notified under Section 133 of the Companies Act 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014. The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates in the statement of profit and loss. The difference between the cost of investment in the associates and the share of net assets, at the time of acquisition of shares in the associates, is identified in the financial statements as Goodwill or Capital Reserve, as the case may be.

viii) In case of joint venture, the interest in the assets, liability, income and expense are consolidated using proportionate consolidation method. Intra group balances, transactions and unrealized profit / losses are eliminated to the extent of companies proportionate share.

3. Basis of Preparation

The consolidated financial statements of the Group has been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Group has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 read with paragraph 7 of the Companies (Accounts) Rule 2014. The consolidated financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year except for the changes in accounting policy explained below.

3.1 Summary of Significant Accounting Policies

a) Change in Accounting Policy

i) Component Accounting

The Group has adopted Schedule II to the Companies Act, 2013, for depreciation purposes, from April 01, 2015. The Group was previously not identifying components of tangible assets separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of tangible asset.

Due to application of Schedule II to the Companies Act, 2013, the Group has changed the manner of depreciation for its tangible assets. Now, the Group identifies and determines separate useful life for each major component of the tangible asset, if they have useful life that is materially different from that of the remaining asset. These component are depreciated separately over their useful lives, the remaining components are depreciated over the life of the principal assets. The Group has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. If a component has zero remaining useful life on the date of Schedule II becoming effective, i.e., April 01, 2015, its carrying amount, after retaining any residual value, is charged to the opening balance of retained earnings. The carrying amount of other components, i.e., components whose remaining useful life is not nil on April 01, 2015, is depreciated over their remaining useful life.

Had the Group continued to use the earlier policy of depreciating tangible asset, the profit for the current period would have been lower by ₹ 367.6 million (net of tax impact of ₹ 98.3 million) and the tangible asset would correspondingly have been lower by ₹ 465.9 million.

On the date of component accounting becoming applicable i.e. April 01, 2015, there was no component having zero remaining useful life. Hence, no amount has been directly adjusted against retained earning.

ii) Derivative Accounting

From the current financial year, the Group has early adopted the "Guidance Note on Accounting for Derivative Contracts" issued by the Institute of Chartered Accountants of India, which requires recognition of all derivative contracts on the balance sheet and measured at fair value. Had the Group followed the same accounting policy as in the previous year, net profit for the year ended March 31, 2016 have been lower by ₹ 712.7 million. The cumulative impact of all derivative contracts outstanding as at that date of the Guidance Note becoming effective, amounting to ₹ 4.0 million is recognised in reserves as at April 01, 2015 as a transition adjustment in accordance with the transitional provision of the Guidance Note.

iii) Stores and Spares Accounting

During the current year, the Group capitalise spare parts, stand-by and servicing equipment which the Group intends to use the same during more than a period of 12 months and whose use is expected to be irregular. The spare parts capitalized in this manner are depreciated prospectively over the remaining useful lives of the respective mother assets.

Had the Group continued to use the earlier policy of classifying stores and spares as inventories, its financial statements for the period would have been impacted as below:

Inventories would have been higher by ₹ 501.6 million, Fixed Assets would have been lower by ₹ 501.6 million, depreciation would have been lower by ₹ 56.5 million, and profit for the current period would have been higher by ₹ 56.5 million.

b) Use of estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Tangible Fixed Assets

i) 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 capitalisation criteria are met directly attributable cost of bringing the asset to its working condition for its intended use. Items of Stores and Spares that meet the definition of Fixed Assets are capitalised at cost and depreciated over their useful life. Otherwise such items are classified as inventories. Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for the intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

ii) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

iii) The Group adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining useful life of the asset. In accordance with MCA circular dated August 09, 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long term foreign currency monetary items pertaining to acquisition of a depreciable asset, for a period. In other words, the Group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference. The depreciation on such foreign exchange difference is recognised from first day of the financial year.

iv) Gains or losses arising from derecognition/ sale proceeds of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

v) The Group identifies and determine cost of each component / part has cost which is significant to the total cost of the assets has useful life that is materially different from that of the remaining asset.

d) Expenditure on new projects and substantial expansion

Expenditure directly relating to construction / development activity (net of income, if any) is capitalized. Indirect expenditures incurred during construction period which are specifically attributable to construction of a project, is capitalized as part of Project cost Other indirect expenditures (including borrowing costs) incurred during the construction period which are not specifically attributable to construction of a project, is charged to the consolidated statement of profit and loss.

e) Depreciation on tangible fixed assets

i) Depreciation on fixed asset is calculated on Straight Line Method (SLM) based on the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013 except for the assets mentioned in para (ii) 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.

ii) The Group has estimated the following useful life to provide depreciation on its certain fixed assets based on assessment made by expert.

Assets	Estimated Useful Life
Leasehold Land – Right to Use	Over the balance period of Concession Agreement or Sub-Concession Agreement.
Leasehold Land Development	Over the balance period of Concession Agreement or Sub-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
Carpeted Roads – Other than RCC	10 Years
Non Carpeted Roads – Other than RCC	3 Years
Tugs	20 Years as per concession agreement

iii) At the end of the sub-concession agreement and supplementary concession agreement, all contracted immovable and movable assets shall be transferred to and shall vest in Grantor (government authorities/port trust authorities). In cases, where the Group is expected to receive consideration of residual value from grantor at the end of concession period, the residual value of contracted immovable and movable assets 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.

iv) The residual value, useful life and method of depreciation of fixed assets are reviewed at each year end and adjusted prospectively if appropriate.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on straight line basis over the estimated useful economic life. A summary of amortisation policies applied to the Group's intangible assets is as follows:

Intangible Assets	Estimated Useful Life
Goodwill arising on the amalgamation of Adani Port Limited	Over the balance period of Concession Agreement computed from the Appointed Date of the Scheme of Amalgamation i.e. 28 years.
Software applications	5 Years based on management estimate.
License Fees paid to Ministry of Railway (MOR) for approval for movement of Container Trains	Over the license period of 20 years.
Right of use to develop and operate the port facilities	Over the balance period of Sub-Concession Agreement.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there is a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the change pattern. Such changes are accounted for in accordance with AS 5 - Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies .

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 recognized in the consolidated statement of profit and loss when the asset is derecognized.

g) Impairment of tangible and intangible assets

i) The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. The asset's recoverable amount is the higher of the asset's or cash generating unit's (CGU), net selling price and value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other asset or groups of assets. Where 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 assessment of the time value of money and risks specific to the asset. In determining net selling price, relevant market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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

h) Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition or construction of an assets (including inventories of specific projects) that necessarily takes substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur except where expenses are adjusted to securities premium account in compliance with section 52 of the Companies Act, 2013.

i) Leases

Where the Company is the lessee

Finance leases including rights of use in leased land, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at inception of the lease term at the lower of the fair value of the land and present value of the minimum lease payments and disclosed as leased assets. Lease payments are apportioned between the 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 as finance cost in the consolidated statement of profit and loss.

A leased asset is depreciated / amortised on a straight line basis over the useful life of the asset. However, If there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalized leased assets is depreciated /amortised on a straight line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, wherein the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor

Leases, including rights to use in leased / sub leased land, in which the Group transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, lease rentals are apportioned between principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the consolidated statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the consolidated statement of profit and loss.

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognized in the consolidated statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the consolidated statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the consolidated statement of profit and loss.

j) Investments

Investments, which are readily realizable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long - term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the consolidated financial statements at lower of cost and fair value determined on an individual investment basis. Long - term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the consolidated statement of profit and loss.

k) Inventories

Stores and Spares: Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis. Cost of stores and spares lying in bonded warehouse includes custom duty accounted for on an accrual basis. Stores and Spares which do not meet the definition of fixed assets are accounted as inventories.

Costs incurred that relate to future contract activities are recognised as "Project Work in Progress".

Project work in progress comprises 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) Government Grant

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the consolidated statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

m) Royalty on Cargo

Waterfront royalty 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.

n) Contribution for Services

In case of a subsidiary company, MPSEZ Utilities Private Limited, the initial/upfront contributions received from the customers against power connection are recognized as capital receipts and accounted as Capital Reserve. Subsequently, the amounts are amortised over the life of the assets and adjusted from depreciation charge in the consolidated statement of profit and loss.

During the year, the subsidiary company has received ₹ 31.0 million (Previous year ₹ 0.9 million) as contribution.

o) 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. The following specific recognition criteria must also be met before revenue is recognised:

i) Port Operation Services/Multi-Model cargo storage cum logistic service

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 the service performed. Revenue on take-or-pay charges are recognized for the quantity that is the difference between annual agreed tonnage and actual quantity of cargo handled. The amount recognised as a revenue is exclusive of service tax and education cess where applicable.

Income in the nature of license fees / royalty is recognised as and when the right to receive such income is established as per terms and conditions of relevant agreement.

ii) 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 recognises the income based on the principles of leases as per Accounting Standard – 19, 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 recognised 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 recognised on an accrual basis. In cases where land lease / sub-lease transaction are non-cancellable in nature, the income is recognised 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 recognised 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 consolidated statement of profit and loss. In case of Subsidiary Company, Mundra SEZ Textile and Apparel Park Private Limited (MITAP), the upfront premium received/receivable under Long Term Leases/Infrastructure Usage Agreement is recognized as income pro-rata over the period of sub-lease agreement. (The income of MITAP in the books of APSEZL constitutes 3.03% of the total unamortized amount under Long Term Lease/Infrastructure Usage Agreements.)

iii) Deferred Infrastructure Usage

Income from infrastructure usage fee collected on upfront basis from the customers is recognised over the balance contractual period on straight line basis.

iv) 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 reliably, revenue is recognised 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.

v) Non Scheduled Aircraft Services

Revenue from chartered services is recognized when the service is performed under contractual obligations.

vi) 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.

vii) 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 recognised based on milestones reached under the contract.

viii) Interest

Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate. Interest income on land leases is included under the head "Revenue from operations" and other interest income is included under the head "Other income". Interest income also include interest earned from multi year payment terms with customers and is included under the head "Other income".

ix) Dividends

Revenue is recognized when the Group's right to receive payment is established by the balance sheet date.

p) Foreign Currency Translation

i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii) Exchange Differences

The Group accounts for exchange difference arising on translation / settlement of foreign currency monetary item is as below:

a) Exchange differences arising on long-term foreign currency monetary items (including funds used for projects work in progress) related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

b) Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

c) All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of (a) and (b) above, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

In accordance with MCA circular dated August 09, 2012 exchange differences for this purpose, are total differences arising on long term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

iv) Forward Exchange Contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contracts is amortized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long term foreign currency monetary items, are recognized in the consolidated statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the period. Any gain/loss arising on forward contracts which are long term foreign currency monetary items is recognized in accordance with paragraph (iii) above.

v) Derivative transactions

The Group enters into derivative contracts such as Cross Currency Swaps, Interest rate swaps, Foreign currency future options and swaps foreign currency forward contract to hedge foreign currency future transactions in respect of which firm commitment are made or which are highly probable forecast transactions not in the scope of AS 11. From current year onwards, the Group has voluntarily adopted the "Guidance Note on Accounting for Derivative Contracts" issued by the Institute of Chartered Accountants of India. Accordingly, the Group account for its derivatives at fair value with changes in fair value being recognised in the statement of profit and loss. All derivative contracts are recognised on the balance sheet and measured at fair value.

vi) Translation of integral and non-integral foreign operation

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the consolidated statement of profit and loss.

q) Retirement and Other Employee Benefits

i) Provident fund and superannuation fund

Retirement benefits in the form of Provident Fund and Superannuation Fund Schemes are defined contribution schemes and the contributions are charged to the consolidated statement of profit and loss of the year when the contributions to the respective funds are due as employee renders the service. There are no other obligations other than the contribution payable to the respective funds.

ii) Gratuity

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Group has taken insurance policy under the Group Gratuity Scheme with the Life Insurance Corporation of India and Tata AIG Life Insurance Company Limited to cover the gratuity liability of the employees.

iii) Leave Benefits

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.

iv) Actuarial Gains/ Losses Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

r) Income Taxes

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

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. The Company is eligible and claiming tax deductions available under section 80IAB of the Income Tax Act, 1961 w.e.f FY 2007-08. Some of the subsidiaries and joint venture company are eligible for section 80IA benefits.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has carry forward unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In view of the Group availing tax deduction under Section 80IAB/80IA of the Income Tax Act, 1961, deferred tax has been recognized in respect of timing difference, which reverse after the tax holiday period in the year in which the timing difference originate and no deferred tax (assets or liabilities) is recognised in respect of timing difference which reverse during tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. For recognition of deferred taxes, the timing difference which originate first are considered to reverse first.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the consolidated statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the consolidated statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

s) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference share dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

t) Provisions

A provision is recognized when the Group has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on best management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best management estimates.

u) Segment Reporting Policies

i) Identification of segments:

The Group's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services, the risk and return profile of individual business unit, the organisational structure and internal reporting system of the Group. The analysis of geographical segments is based on the geographical location of the customers.

ii) Inter segment transfers:

The Group generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

iii) Unallocated Items: Includes general corporate income and expense items which are not allocated to any business segment.

v) Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

w) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize contingent liabilities but discloses it's existence in the financial statement.

4. Share Capital	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million
Authorized shares		
50,00,000 (Previous Year 50,00,000) Non Cumulative Redeemable Preference Shares of ₹ 10 each	**50.0**	50.0
4,97,50,00,000 (Previous Year 4,97,50,00,000) Equity Shares of ₹ 2 each	**9,950.0**	9,950.0
	10,000.0	10,000.0
Issued, subscribed and fully paid-up shares		
28,11,037 (Previous Year 28,11,037) 0.01% Non-Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up (Redeemable at a premium of ₹ 990 per Share on March 28, 2024).	**28.1**	28.1
2,07,09,51,761(Previous Year 2,07,00,51,620) fully paid up Equity Shares of ₹ 2 each.	**4,141.9**	4,140.1
Total issued, subscribed and fully paid-up share capital	**4,170.0**	4,168.2

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Preference Shares	March 31, 2016		March 31, 2015	
	No.	₹ In million	No.	₹ In million
At the beginning of the year	**28,11,037**	**28.1**	2,811,037	28.1
Outstanding at the end of the year	**28,11,037**	**28.1**	2,811,037	28.1

Equity shares	March 31, 2016		March 31, 2015	
	No.	₹ In million	No.	₹ In million
At the beginning of the year	**2,070,051,620**	**4,140.1**	2,070,051,620	4,140.1
Add: Issued during the year (Refer note 44)	**1,553,261,781**	**3,106.5**	-	-
Less: Cancelled during the year (Refer note 44)	**(1,552,361,640)**	**(3,104.7)**	-	-
Outstanding at the end of the year	**2,070,951,761**	**4,141.9**	**2,070,051,620**	**4,140.1**

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

For the current financial year 2015-16 the Company has declared and paid interim dividend per share distribution to equity shareholders is ₹ 1.10 (for the previous financial year final dividend per share ₹ 1.10).

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

c. 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 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 ₹ 2,782.9 million (equivalent to ₹ 990.00 per share). The Company credits the redemption premium on proportionate basis every year to Preference Share Capital Redemption Premium Reserve and debits the same to Securities Premium Account as permitted by Section 52 of the Companies Act, 2013.

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.

d. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

Out of equity shares issued by the Company, shares held by its holding company, are as below:

	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million
Adani Enterprise Limited, the holding company		
Nil (Previous year 1,55,23,61,640) equity shares of ₹ 2 each fully paid	-	3,104.7

e) Details of shareholders holding more than 5% shares in the company

	March 31, 2016		March 31, 2015	
	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)	**877,317,807**	**42.36%**	-	-
ii) Adani Properties Private Limited	**140,512,153**	**6.78%**	-	-
iii) Vinodbhai Shantilal Adani	**130,794,953**	**6.32%**	-	-
iv) 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%
Priti G. Adani	**5,00,365**	**17.80%**	5,00,365	17.80%
Shilin R. Adani	**5,00,364**	**17.80%**	5,00,364	17.80%
Pushpa V. Adani	**5,00,365**	**17.80%**	5,00,365	17.80%
Ranjan V. Adani	**5,00,455**	**17.80%**	5,00,455	17.80%
Suvarna M. Adani	**5,00,275**	**17.80%**	5,00,275	17.80%
	28,11,037	**100.00%**	28,11,037	100.00%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

5. Reserves and surplus

	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million
Securities Premium Account		
-Preference		
Balance as per the last consolidated financial statements	**1,252.5**	1,391.6
Less: transferred to Preference Share Capital Redemption Premium Reserve	**(139.1)**	(139.1)
Closing Balance	**1,113.4**	1,252.5
-Equity		
Balance as per the last consolidated financial statements	**26,601.4**	26,601.4
Less - During the year utilisation Towards (Refer note 43)		
a) Bond Issue Expenses	**(397.4)**	-
b) Costs incurred mon paidIssueon of issue of Debentures debe	**(64.9)**	-
c) Premium paid on buy back of Debentures	**(423.9)**	-
d) Difference Between Issue Price and Face Value of Bond	**(198.0)**	-
Closing Balance	**25,517.2**	26,601.4

Debenture Redemption Reserve		
Balance as per the last consolidated financial statements	**3,993.8**	1,204.5
Add; transferred from surplus balance in the consolidated statement of profit and loss	**5,153.8**	3,686.8
Less; transferred to General Reserve	**(2,758.8)**	(897.5)
Closing Balance	**6,388.8**	3,993.8
Capital Redemption Reserve		
Balance as per the last consolidated financial statements	**15.4**	14.0
Add; transferred from surplus balance in the consolidated statement of profit and loss	**1.4**	1.4
Closing Balance	**16.8**	15.4
Capital Reserve		
Government Grant		
Balance as per the last consolidated financial statements	**228.3**	228.3
Add ; Government grant received during the year	**-**	-
	228.3	228.3
Initial Contribution for Services - MUPL		
Balance as per the last consolidated financial statements	**60.3**	61.3
Add ; Contribution during the year	**31.0**	0.9
Less ; transferred to consolidated statement of profit and loss	**(4.3)**	(1.9)
	87.0	60.3
	315.3	288.6
Preference Share Capital, Redemption Premium Reserve		
Balance as per the last consolidated financial statements	**1,530.5**	1,391.4
Add ; transferred from Securities Premium Account	**139.1**	139.1
Closing Balance	**1,669.6**	1,530.5
General reserve		
Balance as per the last consolidated financial statements	**13,205.5**	10,124.9
Add ; transferred from surplus balance in the consolidated statement of profit and loss	**-**	2,183.1
Add ; Excess of net assets taken over and share issued under scheme of demerger (Refer note 44)	**268.0**	-
Add ; transferred from Debenture Redemption Reserve	**2,758.8**	897.5
Closing Balance	**16,232.3**	13,205.5
Foreign Currency Monetary Item Translation Difference Account		
Balance as per the last consolidated financial statements	**(2,026.7)**	(1,839.9)
Add ; foreign currency (loss) during the year	**(1,608.7)**	(770.1)
Less ; amortised in consolidated statement of profit and loss	**1,018.4**	583.3
Closing Balance	**(2,617.0)**	(2,026.7)
Foreign Currency Translation Reserve		
Balance as per the last consolidated financial statements	**-**	-
Add ; Addition during the year	**(0.2)**	-
Closing Balance	**(0.2)**	-
Surplus in the consolidated statement of profit and loss		
Balance as per the last consolidated financial statements	**58,649.5**	44,335.3
Profit for the year	**28,673.6**	23,143.3
	87,323.1	67,478.6
Less; Appropriations		
Final Dividend on Preference Shares	***-**	*-
Tax on Final Dividend on Preference Shares (including surcharge)	***-**	*-
Interim Dividend on Equity Shares	**2,278.0**	-
Tax on Interim Dividend on Equity Shares	**463.8**	-
Proposed Final Dividend on Equity Shares	**-**	2,277.1
Tax on Final Equity Dividend (including surcharge)	**-**	463.6
Transfer to Capital Redemption Reserve	**1.4**	1.4
Transfer to General Reserve	**-**	2,183.1
Transfer to Debenture Redemption Reserve	**5,153.8**	3,686.8
Depreciation charged to Retained Earning (net of deferred tax)	**-**	217.1
Marked to market opening gain to retained earning (Refer note 3.1 (a) (ii))	**(4.0)**	-
Net Surplus in the consolidated statement of profit and loss	**79,430.1**	58,649.5
* Figures being nullified on conversion to ₹in million.		
Total reserves and surplus	**128,066.3**	103,510.5

6. Long-term borrowings

	Non-current portion		Current maturities	
	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million	**March 31, 2016** ₹ In million	March 31, 2015 ₹ In million
Debentures				
4,940 (previous year 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 T 4,950.0 million has been redeemed before maturity.	**4,940.0**	9,890.0	**-**	-
9,000 (previous year NIL) 9.05% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Bullet Redeemable of ₹7,500 million on April 18,2019 and ₹1,500.0 million on May 22, 2019)	**9,000.0**	**-**	**-**	**-**
5,000 (previous year NIL) 9.15% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Bullet Redeemable on April 28, 2017)	**5,000.0**	**-**	**-**	**-**
4,900 (previous year 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 ₹200.0 million has been redeemed before maturity.	**1,700.0**	5,100.0	**3,200.0**	**-**
5,000 (previous year 5,000) 9.60% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Redeemable at par on June 20, 2016).	**-**	5,000.0	**5,000.0**	-
4,000 (previous year 10,000) 9.80% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Redeemable at 1 instalment of ₹4,000.0 million payable on June 18, 2016).	**-**	4,000.0	**4,000.0**	6,000.0
2,000 (previous year 5,000) 10.05% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Redeemable at 1 instalment of ₹2,000 million payable on June 15, 2016.	**-**	2,000.0	**2,000.0**	3,000.0
1,700 (previous year 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 , 28 instalments paid till March 31, 2016).	**950.0**	5,810.0	**550.0**	640.0
Term loans				
Foreign currency loans:				
From banks (secured)	**66,003.7**	60,288.5	**5,946.8**	9,583.2
From banks (unsecured)	**19,640.6**	147.5	**3,354.5**	36.9
From other financial institutions (secured)	**7,201.0**	8,916.6	**346.5**	565.7
3.50% Foreign Currency Bond priced at 195 basis points over the 5 years US Treasury Note (unsecured)	**43,065.8**	-	**-**	-
From others (unsecured)	**3.9**	-	**-**	-
Rupee loans:				
From Banks (secured)	**5,472.3**	37,311.9	**183.7**	1,755.7
From others (unsecured)	**44.5**	33.3	**-**	-

Suppliers bills accepted under foreign currency letters of credit				
From banks (secured)	-	-	2,726.9	4,177.7
From banks (unsecured)	33.8	-	6,022.6	-
	163,055.6	138,497.8	33,331.0	25,759.2
The above amount includes				
Secured borrowings	100,267.0	138,317.0	23,953.9	25,722.3
Unsecured borrowings	62,788.6	180.8	9,377.1	36.9
Amount disclosed under the head "other current liabilities" (Refer note 12)		-	(33,331.0)	(25,759.2)
Net amount	163,055.6	138,497.8	-	-

1 Debentures include Secured Non-Convertible Redeemable Debentures amounting to ₹11,840.0 million (previous year ₹19,990.0 million) 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).

2 Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹1,500.0 million (previous year ₹6,450.0 million) 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.

3 a) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹4,000.0 million (previous year ₹10,000.0 million) are secured by first specific charge over 138 hectares land situated at Navinal Island ,Mundra Taluka Kutch District , Gujarat .(valued at market value).

b) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹5,000.0 million (previous year ₹5,000.0 million) are secured by first specific charge over 79 hectares land situated at Mundra Taluka , Kutch District , Gujarat (valued at market value).

4 Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹14,000.0 million (previous year NIL) 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.

5 Foreign currency loan aggregating to ₹2,333.7million (previous year ₹2,558.4 million) carries interest @ 6 months Euribor plus basis point in the range of 95 to 140. Further, out of the above loan ₹2,165.2 million is repayable in 13 semi-annual instalments of approx. ₹166.6 million, loan ₹133.0 million is repayable in 2 semi-annual equal instalments of ₹66.5 million and 1 semi-annual instalment of ₹35.5 million from the balance sheet date. The loan is secured by exclusive charge on the Dredgers procured under the facility.

6 Foreign Currency loan aggregating to ₹164.0 million (previous year ₹309.4 million) carries interest @ 6 months Libor plus 225 basis point. The loan is repayable in 4 quarterly equal instalments of ₹41.0 million from the balance sheet date .The loan is secured by exclusive charge on the dredgers and is further secured by way of second pari passu charge on the entire movable and immovable fixed assets pertaining to Multi purpose Terminal, Terminal-II and Container Terminal –II project assets and Single Point Mooring.

7 Foreign currency loans aggregating to ₹981.4 million (previous year ₹1,020.7 million) carries interest @ 6 months Euribor plus 75 basis point. The loan is repayable in 11 semi annually equal instalments of approx. ₹81.9 million and one semi-annual instalment of ₹79.6 million from the balance sheet date. The loan is secured by exclusive charge on the Cranes purchased under the facility.
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8 Foreign Currency Loans from Banks aggregating to NIL (previous year ₹18,796.9 million) 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 @ 6 months Libor plus basis point in range of 300 to 380. The Loan is repaid during current year.

9 Foreign currency Loans from bank aggregating to NIL (previous year ₹2,750.0 million) was secured by first pari pasu 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 range of 310 to 380. The Loan is repaid during the year .

10 Foreign currency Loans from bank aggregating to NIL (previous year ₹18,750.0 million) carries interest @ 3 months Libor plus basis point in range of 310 to 370,These loans were secured by first pari pasu 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.

11 Foreign Currency Loans from Banks aggregating to ₹935.3 million (previous year ₹976.4 million) carries interest @ 4.6% p.a . Out of these loans, ₹342.3 million are repayable in 24 semi-annual equal installments of ₹14.3 million, ₹178.9 million are repayable in 12 semi-annual equal installments of ₹14.9 million, ₹120.8 million are repayable in 10 semi-annual equal installments of ₹12.0 million, ₹293.9 million are repayable in 20 semi-annual equal installments of ₹14.7 million from the balance sheet date. These loans are secured by exclusive charge on the individual Tug.

12 Foreign currency loan aggregating to NIL (previous year ₹2,109.4 million) carries interest @ 6 months Libor plus 300 to 330 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 current year.

13 Foreign currency Loans from bank aggregating to NIL (previous year ₹2,500.0 million) is secured by first pari pasu 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 range of 260 to 310. The Loan is repaid during the current year .

14 Foreign Currency Loan aggregating to ₹1,319.4 million (previous year ₹1,343.8 million) carries interest @ 6 months Euribor plus a margin of 290 basis point. This loan is secured by first pari-passu charge on movable and immovable assets pertaining to Multipurpose Terminal, Terminal-II and Container Terminal –II project assets. The loan is repayable in 14 semi- annual equal installments of approx. ₹94.2 million each.

15 Foreign Currency Loan aggregating to NIL (previous year ₹3,125.0 million) carries interest @ 3 month libor plus 300 basis point. This loan was secured by First pari-passu charge on movable and immovable assets pertaining to coal terminal project assets. The Loan is repaid during the year.

16 Foreign Currency Loan aggregating to ₹3,975.3 million (previous year NIL) carries interest @ 3 month libor plus 228 basis point. ₹3,312.8 million is repayable in 3 annual instalment of approx. ₹1104.2 million and ₹662.6 million is repayable in 3 annual instalment of approx. ₹220.8 million. These loan are secured by first pari-passu charge on all the immovable and movable assets pertaining to Coal Terminal project assets at Wandh. Security charge creation is under process.

17 Foreign Currency Loan aggregating to ₹10,070.8 million (previous year NIL) carries interest @ 6 month libor plus 180 basis point. ₹1,007.0 million is repayable in one annual instalment of ₹1007.0 million, ₹4028.3 million is repayable in 2 annual instalment of approx. ₹2,014.2 million and ₹5,035.4 million is repayable in 2 annual instalment of approx. ₹2,517.7 million. 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. Security charge creation is under process on immovable assets.

18 Rupee Term Loan from bank aggregating to NIL (previous year ₹1,020.0 million was secured by first pari passu charge on all the movable and immovable assets pertaining to Agripark project and carries interest @ 10.25% p.a. The loan is repaid during the year.

19 Rupee term loan amounting to NIL (previous year ₹4,500.0 million) 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.

20 Rupee term loan amounting to NIL (previous year ₹2,000.0 million) carrying interest rate at 10.25% p.a was secured by first pari passu charge on Multi purpose Terminal, Terminal II and Container Terminal II (Excluding immovable assets relating to SPM project, west basin, south basin and SEZ land). The Loan is repaid during the year.

21 Suppliers bills accepted under foreign currency letters of credit aggregating to ₹NIL (previous year ₹948.8 million) carries interest @ 6 months Libor plus basis point in range of 100 to 200. which is repaid on maturity in the year 2015-16. The loan was secured against exclusive charge on assets purchased under the facility.

22 Suppliers bills accepted under foreign currency letters of credit aggregating NIL (previous year ₹267.1 million) carries interest @ 6 months Libor plus basis point in range of 35 to 105 which is repaid on maturity in the year 2015-16. The loan was secured against exclusive charge on fixed assets purchased under the facility.

23 Suppliers bills accepted under foreign currency letters of credit aggregating to ₹826.5 million (previous year NIL) carries interest @ 6 months Libor plus basis point in range of 29 to 35 which is repayable on maturity in the year 2016-17. The loan was secured against exclusive charge on fixed assets purchased under the facility.

24 **Unsecured Loan :**

a) Foreign Currency Bond ₹43,065.8 million (previous year NIL) carries interest @ 3.50% p.a. is bullet repayment in the year 2020

b) Foreign Currency loan ₹6,625.5 million (previous year NIL) carries interest @ 2.30 % for six months is bullet payment in the year 2017.

c) Foreign Currency loan ₹3,312.8 million (previous year NIL) carries interest @ 1.95 % p.a. is bullet payment in the year 2016.

d) Foreign Currency loan ₹2,318.9 million (previous year NIL) carries basis overnight libor plus 120 basis point is bullet payment in the year 2017.

e) Foreign Currency Loan aggregating to ₹3,945.5 million (previous year NIL) carries interest @ 2.85% fixed for 18 months and than after Libor plus 2.2%. The Loan is bullet repayment in the year 2021.

f) Foreign Currency Loan aggregating to ₹6,625.5 million (previous year NIL) carries interest @ 2.85% fixed for 18 months. The Loan is bullet repayment in the year 2021.

g) Foreign Currency Loan aggregating of ₹166.9 million (previous year ₹184.4 million) carry interest @ 2.12 % p.a. The outstanding loan amount is repayable in 8 semi- annual equal installment of ₹20.9 million from the balance sheet date.

h) Suppliers bills accepted under foreign currency letters of credit aggregating to ₹145.5 million (previous year NIL) carries interest at 6 month Libor plus basis point of 30 and 12 month Euribor plus basis point of 38 which is repayable on maturity in 2016-17.

25 Term loan taken by the subsidiaries includes:

i) Loans from banks including foreign currency term loan amounting to ₹1,978.8 million (previous year ₹2,188.0 million), rupee term loan ₹Nil (previous year ₹3,736.8 million) and suppliers bills accepted under foreign currency letter of credit amounting to ₹51.5 million (previous year ₹51.6 million) taken by Adani Petronet (Dahej) Port Private Limited 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. The Rupee term loan is repaid during the year. Foreign currency loans carries interest in the range of libor plus 280 to 295 basis point. The loans are repayable in 38 to 40 quarterly installments each along with interest. Suppliers bills accepted under foreign currency letter of credit carries interest EURIBOR plus 40 basis points.

ii) Foreign currency loans from banks amounting to ₹482.0 million (previous year ₹779.6 million) and Foreign Currency Loans from financial institutions amounting to ₹433.2 million (previous year ₹572.1 million) and suppliers bills accepted under foreign currency letter of credit amounting to ₹12.0 million (previous year ₹10.7 million) 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. Of the above loans, the foreign currency loans from banks amounting to ₹482.0 million (previous year ₹779.6 million) are repayable on quarterly installment basis payable on last date of each quarter up to September 30, 2016; the foreign currency loans from financial institutions amounting to ₹433.2 million (previous year ₹572.1 million) carries interest at 6M plus 325 basis point and is repayable on quarterly basis up to June 21, 2018 and is being paid on 21st of last month of each quarter.

iii) Foreign currency term loans from financial institutions amounting to ₹562.3 million (previous year ₹750.0 million) taken by Karnavati Aviation Private Limited carries interest @ of libor plus 425 basis point. The Loan is repayable in 20 Half yearly installments along with interest beginning from 27-04-2010. The loan is secured by hypothecation of Aircraft Challenger 605. Foreign currency term loans from banks amounting to ₹1236.1 million (previous year ₹1180 million) taken by Karnavati Aviation Private Limited carries interest @ of libor plus 324 basis point. The Loan is repayable in 28 Quarterly installments along with interest beginning from 30-05-2013 . 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 ₹21,428.9 million (previous year ₹15,912.6 million), rupee term loans amounting to ₹Nil (previous year ₹950.0 million) and suppliers bills accepted under foreign currency letter of credit amounting to ₹1,697.5 million (previous year ₹Nil). Of the above loans, foreign currency loan carries interest @ 3% to 4% p.a. foreign currency loan of ₹14,443.6 million is repayable in 28 structured quarterly installments starting June 30, 2014 and ₹6,985.2 million is repayable in 44 structured quarterly installments starting from June, 2014.These loans are secured by first ranking pari-passu charge on all movable (other than core assets) and immovable assets of the Company and all revenues & receivables from the project. Suppliers bills accepted under foreign currency letter of credit are carries interest in the range of LIBOR plus 0.35% to 0.45% which is repayable on maturity in 2016-17. The facility is backed by letter of comfort from the holding company. Indian rupee loan from bank carries interest @ 11% to 12% p.a. which is payable on monthly basis. The loan was repayable in 44 quarterly installments starting from June, 2014. The same is repaid during the year.

v) Loans from banks taken by Adani Murmugoa Port Terminal Private Limited includes rupee term loans amounting to ₹Nil (previous year ₹1,542.6 million). The term loan was repaid during the year. 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 and by pledge of equity shares aggregating to 30% of paid up share capital of the Company.

vi) Loans from banks taken by Adani International Container Terminal Private Limited includes foreign currency term loan aggregating to ₹2,410.1 million (previous year ₹2,296.8 million) carries interest @ 6M libor plus 260 basis point i.e. 3.3359 % p.a. The same are repayable in 5 structured annual installments.

The facility is secured by first ranking pari-passu charge on all movable and immovable assets of the Company and leasehold interest on the same, both present and future related to the project, all the Bank accounts of the company and all future revenues & receivables from the project. Pending registration of leasehold land in the name of Company, charge on immovable asset is pending to be created in favour of lenders.

Foreign currency term loan from banks aggregating to ₹1,416.2 million (previous year - ₹1,476.5 million) carries interest @ 3M libor plus 450 basis point 5.02975 % p.a. The same are repayable in 38 structured quarterly installments. The facility is secured by fist ranking pari-passu charge on all movable and immovable assets of the company and leasehold interest on the same, both present and future related to the project, all the Bank accounts of the company and all future revenues & receivables from the project.

Foreign currency term loan from bank aggregating to ₹1,333.9 million (previous year ₹Nil) carries interest @ 6M LIBOR plus 245 basis point i.e. 3.3033% p.a. and is secured by first ranking pari-passu charge on all movable and immovable assets of the company including leasehold interest on the same and the corporate guarantee from the Company, both present and future related to the project, all the bank accounts of the company and all future revenues & receivables from the project. The same are payable in 5 structured annual installments starting from January 2017.

Foreign currency term loan from bank aggregating to ₹156.9 million(previous year ₹Nil) carries interest @ 6M LIBOR plus 245 basis point i.e. 3.3609% p.a. and is secured by first ranking pari-passu charge on all movable and immovable assets of the company including leasehold interest on the same and the corporate guarantee from the Company, both present and future related to the project, all the bank accounts of the company and all future revenues & receivables from the project. The same are payable in 5 structured annual installments starting from January 2017.

Rupee term loan from bank aggregating to ₹Nil (previous year ₹1,400 million) carries interest @ 10.65% p.a. and is secured by first ranking pari-passu charge on all movable and immovable assets of the company and leasehold interest on the same, both present and future related to the project, all the Bank accounts of the company and all future revenues & receivables from the project. The same are payable in 48 structured quarterly installments starting from June 2015.

Letter of Credit facilities aggregating to ₹2,230.2 million (previous year ₹2,303.7 million) are availed against a corporate guarantee given by the Company and ₹212.0 million is availed from the bank out of the facilities sanctioned to the Company. Letter of credit carries interest in range of 1.20% to 2.67%. The loan is repayable on maturity in the year 2016-17.

vii)Suppliers bills accepted under foreign currency letters of credit of Adani Vizag Coal Terminal Private Limited aggregating of 561.2 million (previous year ₹500.1 million) carries interest of 0.48% to 0.86%. ₹74.8 million 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 and ₹486.4 million are unsecured and for which corporate guarantee given by the holding company.

Indian Rupee loan amounting ₹Nil (previous year ₹1,663.0 million) carries interest @ I-Base plus 2.25% p.a. (spread).The loan is repayable in 40 quarterly installments starting from November 08, 2015.The foreign currency letter of credit carries interest 0.48% to 0.86% . The same loan is repaid during the year.

viii) Loans from banks taken by The Dhamra Port Company Limited includes Foreign Currency term loan aggregating to ₹24,967.3 million equivalent USD 376.84 million (previous year Rs.Nil), out of which ₹1,248.4 million (previous year ₹Nil) is classified as current maturity, has been used to refinance the existing Rupee Term Loan and for the purpose of capital expenditures. The loan carries an interest of 6 months libor plus 190 basis points. Outstanding balance is repayable in 50 installments over a period of 13 years starting from financial year 2016-17.

Foreign Currency term loan aggregating to ₹3,312.8 million equivalent USD 50.00 million (previous year ₹Nil), which carries an interest of 6 months libor plus 230 basis points. Outstanding balance is repayable in 32 quarterly equal installments starting from 30th June 2018.

Rupee term loan amounting to ₹5,652.0 million (previous year ₹22,250 million) out of which ₹182.6 million (previous year ₹Nil) is classified as current maturity and carries interest base rate plus 50 basis points p.a.The loan aggregating to ₹655.0 million is repayable 50 installments over a period of 13 years starting from financial year 2016-17 and Loan aggregating to ₹4,997.0 million is repayable 24 quarterly installments over a period of 6 years starting from financial year 2016-17 and carries a interest @9.30% p.a.

Foreign Currency Term Loan & 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.

ix) Suppliers bills accepted under foreign currency letters of credit of Adani Kandla Bulk Terminal Private Limited aggregating of 107.4 million (previous year ₹95.7 million). The same carries interest in the range of 6M EURIBOR plus 38 basis point.Out of which, ₹87.2 million are secured against subservient charge on all movable goods, machinery etc. of the Company, both present and future except those secured by exclusive charge in favour of other lenders and ₹20.2 million are unsecured.

x) Suppliers bills accepted under foreign currency letters of credit of Adani CMA Container Terminal Private Limited aggregating to ₹1,701.3 million (previous year ₹Nil) carries interest in range of 0.40% to 1.16% out of which ₹470.4 million are secured by hypothecation of machinery, equipment and other movable assets purchased under the facility and ₹1,230.9 million are against the corporate guarantee from the Company.

xi) Suppliers bills accepted under foreign currency letters of credit of Adani Ennore Container Terminal Private Limited aggregating to ₹33.8 million (previous year ₹Nil) carries interest @ 6 Months Libor plus 0.38% are unsecured and secured against corporate guarantee given by the Company.

xii) Suppliers bills accepted under foreign currency letters of credit of Adani Vizhinjam Port Terminal Private Limited aggregating to ₹1,204.4 million (previous year ₹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.

xiii) Term Loan from Banks taken by MPSEZ Utilities Private Limited aggregating to ₹4.0 million are secured by way of hypothecation of Plant and Machinery of Company's transmission Business. The loan is repayable in equal quarterly installment after moratorium of 3 months. The Tenure of loan is upto 31st March 2020.

xiv) Loan taken by Adinath Polyfills Private Limited aggregating to ₹44.5 million (previous year ₹33.6 million) from its related parties. The same carries interest @ 6 % p.a. and is unsecured.

7. **Deferred Tax**

	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million
Deferred Tax Liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting post tax holiday period	**10,976.70**	8,975.40
	10,976.70	8,975.40
Deferred Tax Assets	**-**	-
Unabsorbed depreciation / business loss	**172.00**	260.50
Others	**140.10**	124.70
	312.10	385.20
Net Deferred Tax Liability	**10,664.60**	8,590.20

Note:

Disclosure in Consolidated Balance Sheet is based on entity wise recognition, as follows:

Deferred Tax Liabilities	**10,665.3**	8,590.2
Deferred Tax Assets	**0.7**	-
Net Deferred Tax Liability	**10,664.6**	8,590.2

In entities where deferred tax assets comprising of unabsorbed depreciation, carry forward losses and the timing differences of depreciation and other differences in block of fixed assets, the net deferred tax assets have been recognised, there is virtual certainty that sufficient future taxable income are available against which deferred tax assets can be realised evidenced by cargo/ service orders at the reporting date.

8. **Other Long-Term Liabilities**

	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million
Advance from customers	**139.3**	173.2
Deposits from customers	**61.5**	420.6
Unearned Income under long term land lease/ infrastructure usage agreements	**5,796.3**	6,186.8
Capital Creditors, retention money and other payables	**3.7**	-
Obligations under land lease	**62.7**	65.0
	6,063.5	6,845.6

9. **Provisions**

	Long Term		Short Term	
	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million	**March 31, 2016** ₹ In million	March 31, 2015 ₹ In million
Provision for employee benefits				
Provision for gratuity (Refer note 28)	**15.0**	9.3	**95.4**	43.2
Provision for compensated absences	**33.0**	30.7	**159.1**	118.7
	48.0	40.0	**254.5**	161.9
Other provisions				
Proposed Equity Dividend	**-**	-	**-**	2,277.1
Provision for Tax on Proposed Equity Dividend	**-**	-	**-**	463.6
Proposed Preference Dividend	**-**	-	*-	*-
Provision for Tax on Proposed Preference Dividend	**-**	-	*-	*-
Provision for Income Tax (Net of advance tax)	**-**	-	**310.2**	430.4
Provision for Mark to market losses on derivative contracts (net) (Refer note 3.1(a)(ii))	**682.7**	2,887.8	**76.6**	1,221.0
Provision for Operational Claims (Refer note below)	**-**	-	**358.0**	245.4
	682.7	2,887.8	**744.8**	4,637.5
	730.7	2,927.8	**999.3**	4,799.4

* Figures being nullified on conversion to ₹in million.

(₹ In million)

Description	Opening Balance	Additions during the year	Utilization/Settled during the year	Closing Balance
Operational Claims	**245.4**	**171.8**	**59.2**	**358.0**
	(185.4)	(65.2)	(5.2)	(245.4)

Previous year figures are in bracket

Note: 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.

10. Short-term Borrowings	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million
Suppliers bills accepted under foreign currency letters of credit issued by Banks		
From Banks (secured)	159.1	1,555.5
From Banks (unsecured)	22.5	-
Commercial Paper (unsecured)	31,760.0	11,500.0
	31,941.6	13,055.5

1 Suppliers bills accepted under foreign currency letters of credit aggregating to ₹ Nil (previous year ₹ 1198.5 million) carries interest @ 6 month Libor plus basis point in range of 49 to 105 which was paid on maturity in the current year 2015-16. The loan was secured against exclusive charge on assets and materials purchased under the facility.

2 Supplier Bills aggregating to ₹ NIL (previous year ₹ 350.3 million) carries interest at 6 month 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 the current year 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 .

3 Suppliers bills accepted under foreign currency letters of credit aggregating to ₹ 159.1 million (previous year NIL) carries interest at 1 to 6 months Libor plus basis point in range of 25 to 45 and 6 to 12 months Euribor plus basis point in range of 38 to 40.The loan is repayable on maturity in 2016-17. The loan is secured against material purchased under the facilities.

4 Suppliers bills accepted under foreign currency letters of credit aggregating to ₹ 22.5 million (previous year NIL) carries interest at 6 months Libor plus basis point in range of 45 and 12 Months Euribor plus basis point of 38.The loan is repayable on maturity in 2016-17. The loan is unsecured.

5 Bills under foreign currency letters of credit from Banks taken by Adani Hazira Port Private Limited aggregating to ₹ Nil (previous year ₹ 6.7 million) carries interest @ 0.61%.

6 Commercial Paper (CP) aggregating ₹ 31,760 million (previous year ₹ 11,500 million) carries interest rate in range of 8.15 p.a.% to 9.25 % .The CP are repayable on maturity in the year 2016-17.

11. Trade Payables	March 31, 2016 ₹ In million	March 31, 2015 ` ₹ In million
- Total Outstanding dues of Micro and Small Enterprises	3.2	3.0
- Total Outstanding dues of creditors other than Micro and Small Enterprises (Refer note 44)	4,045.2	3,620.4
	4,048.4	3,623.4
Dues to related parties included in above (Refer note 31)		
Trade payables	376.7	142.4

12. Other Current Liabilities	March 31, 2016 ₹ In million	March 31, 2015 ` ₹ In million
(a) Current Maturities of Long-Term Borrowings (Refer note 6)	33,331.0	25,759.2
(b) Interest accrued but not due on borrowings	1,080.9	1,218.5
(c) Interest accrued but not due on Others	-	18.8
(d) Unclaimed Dividend#		
-Equity share	15.0	10.4
-Preference share	*	*
(e) Application money received for allotment of securities pending refund to applicants#	-	1.4
(f) Unearned Revenue	572.5	434.4
(g) Current maturities of Unearned Income under Long Term Land Lease/ Infrastructure Usage Agreements	402.2	421.2
(h) Advance from Customers	1,117.1	1,547.7
(i) Deposits from Customers	892.5	428.2
(j) Obligations under Land Lease	5.3	0.1
(k) Statutory dues, Service Tax, Tax deducted at source etc.	390.6	375.1
(l) Capital creditors, Retention money and Other Payable (Includes outstanding due to Micro and Small Enterprises creditors ₹ 1.0 million (previous year ₹ 0.7 million))	4,610.9	2,961.9
(m) Forward Contracts Payable	57.2	36.8
	42,475.2	33,213.7

* Figures being nullified on conversion to ₹ in million.

Not due for credit to "Investors Education & Protection Fund"

Dues to related parties included in above (Refer note 31)		
Advances	71.2	335.8
Deposits	364.3	55.0

ADANI PORTS AND SPECIAL EC
ONOMIC ZONE LIMITED

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

NOTE : 13 FIXED ASSETS

(₹ in million)

Sr. No.	Particulars	Gross Block (At Cost)							Depreciation / Amortisation					Net Block	
		As at April 01.2015	Additions on acquisition /merger	Additions (Refer Note 3.1(a)(iii)	Deductions/ Adiustments	Other Adjustments		As at March 31.2016	Up to April 01.2015	Additions on acquisition /merger	For the Year	Deductions/ Adiustments	Up to March 31.2016	As at March 31.2016	As at March 31.2015
						Exchange Differences	Borrowing Cost								
	TANGIBLE ASSETS														
1	Rights of use in Leased land	305.6	-	2.5	-	-	-	308.1	39.0	-	9.9	-	48.9	259.2	266.6
2	Land Development Cost on Leasehold Land	7,932.0	21.3	347.5	-	39.7	-	8,340.5	990.4	-	344.2	-	1,334.6	7,005.9	6,941.6
3	Freehold Land	6,171.3	-	125.1	(35.4)	-	-	6,261.0	-	-	-	-	-	6,261.0	6,171.3
4	Buildings	33,953.4	15.0	1,967.4	(13.0)	548.9	54.1	36,525.8	4,503.5	-	2,100.5	(2.4)	6,601.6	29,924.2	29,449.9
5	Marine Structures	32,947.4	14.0	8.7	(2.8)	802.8	-	33,770.1	4,192.5	-	799.5	-	4,992.0	28,778.1	28,754.9
6	Dredged Channels	28,299.9	-	1,224.7	-	257.2	-	29,781.8	3,781.8	-	621.3	-	4,403.1	25,378.7	24,518.1
7	Tugs & Boats	10,366.2	224.3	48.2	-	385.7	-	11,024.4	2,666.0	-	541.7	-	3,207.7	7,816.7	7,700.2
8	Railway Tracks	10,918.1	-	466.3	-	100.7	53.6	11,538.7	2,749.8	-	846.6	-	3,596.4	7,942.3	8,168.3
9	Plant and Machinery	65,213.3	4.4	7,229.1	(215.6)	1,404.6	27.4	73,663.2	13,426.3	-	4,601.3	(85.5)	17,942.1	55,721.1	51,787.0
10	Project Assets	16,459.4	-	393.5	(141.0)	464.5	-	17,176.4	6,822.3	-	1,114.9	(117.2)	7,820.0	9,356.4	9,637.1
11	Aircrafts	3,602.9	-	-	(3.2)	109.7	-	3,709.4	753.2	-	174.5	-	927.7	2,781.7	2,849.7
12	Wagons	903.9	-	517.3	-	18.5	-	1,439.7	298.2	-	83.5	-	381.7	1,058.0	605.7
13	Office Equipment	493.5	-	101.5	(11.5)	3.4	-	586.9	181.8	-	95.7	(3.8)	273.7	313.2	311.7
14	Furniture & Fixtures	408.6	0.3	41.7	(1.2)	-	-	449.4	165.5	-	42.0	(0.5)	207.0	242.4	243.1
15	Computer Hardware	887.4	-	57.4	(0.5)	8.3	-	952.6	520.9	-	130.2	(0.3)	650.8	301.8	366.5
16	Vehicles	476.8	-	14.7	(17.8)	-	-	473.7	171.9	-	60.6	(10.5)	222.0	251.7	304.9
	Sub Total	**219,339.7**	**279.3**	**12,545.6**	**(442.0)**	**4,144.0**	**135.1**	**236,001.7**	**41,263.1**	**-**	**11,566.4**	**(220.2)**	**52,609.3**	**183,392.4**	**178,076.6**
	INTANGIBLE ASSETS														
17	Goodwill on amalgamation	785.9	-	-	-	-	-	785.9	337.3	-	28.1	-	365.4	420.5	448.6
18	Software	643.4	-	67.2	-	1.1	-	711.7	420.2	-	74.1	-	494.3	217.4	223.2
19	License Fees - Indian Railways	500.0	-	-	-	-	-	500.0	187.5	-	25.0	-	212.5	287.5	312.5
20	Right of use to develop and operate the port facilities	233.5	-	-	-	-	-	233.5	22.7	-	10.5	-	33.2	200.3	210.8
	Sub Total	**2,162.8**	**-**	**67.2**	**-**	**1.1**	**-**	**2,231.1**	**967.7**	**-**	**137.7**	**-**	**1,105.4**	**1,125.7**	**1,195.1**
	Total	**221,502.5**	**279.3**	**12,612.8**	**(442.0)**	**4,145.1**	**135.1**	**238,232.8**	**42,230.8**	**-**	**11,704.1**	**(220.2)**	**53,714.7**	**184,518.1**	**179,271.7**
	Previous Year	158,416.4	35,403.8	26,223.0	(252.8)	1,258.7	453.4	221,502.5	27,190.1	4,772.7	10,350.0	(82.0)	42,230.8	179,271.7	131,226.3

Notes:

i) Depreciation of ₹ 680.7 million (previous year ₹ 772.2 million) relating to the project assets has been allocated towards capitalisation / capital work-in-progress.

ii) Freehold Land includes land development cost of ₹ 125.6 million (previous year ₹ 125.6 million)

iii) Plant and Machinery includes cost of Water Pipeline amounting to ₹ 66.5 million (Gross) (previous year ₹ 66.5 million), accumulated depreciation ₹ 36.7 million (previous year ₹ 32.8 million) which is constructed on land owned by the government.

iv) Buildings include 588 residential flats and 82 hostel rooms valuing ₹ 1,310.4 million (previous year ₹ 1,310.4 million) at Samudra Township, Mundra, which are pending to be registered in the Company's name. Further an advance of ₹ 220.0 million (previous year ₹ 220.0 million) 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 the Right of use such land at present value of future annual lease payments in the books.

vi) Land development cost on leasehold land includes costs incurred towards reclaimed land of ₹ 2,218.0 million (previous year ₹ 2,218.0 million). The cost has been estimated by the management, out of the dredging activities which is not materially different from the actual cost.

vii) Reclaimed land measuring 1271.58 HA created are pending to be registered in the name of the Company.

viii) Project Assets includes dredgers and earth moving equipments.

14. Non-Current Investments

	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million
Trade Investments (valued at cost unless stated otherwise)		
Unquoted		
In Equity Shares of Company		
1,000 (previous year - 1,000) fully paid Equity Shares of AUD 1 each of Mundra Port Pty Ltd.	*-	*-
5,00,00,000 (previous year - 5,00,00,000) fully paid Equity Shares of ₹ 10 each of Kutch Railway Company Limited.	**400.0**	400.0
1,73,30,000 (previous year - 1,73,30,000) fully paid Equity Shares of ₹ 10 each of Bharuch Dahej Railway Company Limited.	**173.3**	173.3
5,50,000 (previous year Nil) fully paid Equity Shares of ₹ 10 each of Mundra Solar Technopark Private Limited.	**5.5**	-
In Equity Shares of Associates		
4,900 (previous year - 4,900) fully paid Equity Shares of ₹ 10 each of Dholera Infrastructure Private Limited	**-**	* -
	578.8	573.4
Non trade investments (valued at cost unless stated otherwise)		
Investment in Non-Convertible Redeemable Debenture		
15,000 (previous year - NIL) 10.25% Non-Convertible Redeemable Debenture of ₹ 1,00,000 each of RBL Bank Limited	**1,500.0**	-
In Government Securities		
National Savings Certificates (Lodged with Government Department) & others	**0.1**	0.1
	1,500.1	0.1
	2,078.9	573.5

* Figures being nullified on conversion to ₹ in million.

Note

1) Aggregate cost of unquoted investments as at March 31, 2016 ₹ 2,078.9 million (previous year - ₹ 573.5 million).

2)1,000 fully paid equity shares (previous year - 1,000) of Mundra Port Pty Ltd. (Refer note 38(v)) has been pledged with banks against borrowings by the respective entity.

15. Loans and Advances

	Non-Current		Current	
	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million	**March 31, 2016 ₹ In million**	March 31, 2015 ₹ In million
Capital advances				
Secured, considered good	**742.8**	833.6	-	-
Unsecured, considered good	**7,184.5**	2,499.8	-	-
Unsecured, Doubtful	**57.4**	-	-	-
	7,984.7	3,333.4	**-**	-
Less : Provision for Doubtful Advances	**(57.4)**	-	**-**	-
(A)	**7,927.3**	3,333.4	**-**	-

Capital advance includes ₹ 742.8 million (Previous year ₹ 659.5 million) paid to various parties and government authorities towards purchase of land.

The Group has bank guarantees of ₹ 1512.1 million (Previous year ₹ 833.6 million) against capital advances.

Loan and advances to related parties				
Unsecured, considered good (Also Refer note 31) (Refer note below)	**13,594.6**	87.9	**11,693.4**	21,757.3
(B)	**13,594.6**	87.9	**11,693.4**	21,757.3
Advances recoverable in cash or kind	-	-	-	-
Unsecured, considered good (Refer note 44)	**331.2**	47.2	**4,126.3**	1,000.1
(C)	**331.2**	47.2	**4,126.3**	1,000.1

Other loans and advances (unsecured, considered Good)				
Income Taxes (net) - Recoverable	**851.7**	850.5	**-**	-
MAT Credit Entitlement (Refer note 33 and 38 (u))	**21,354.6**	15,219.2	**-**	-
Prepaid expenses	**37.8**	93.0	**732.0**	282.8
Loans and Advances to employees	**21.1**	18.5	**26.4**	24.9
Gratuity Fund	**-**	-	**-**	2.6
Balances with statutory / Government authorities	**1,270.4**	1,009.8	**1,696.4**	1,384.1
Advance against Equity Investment (Refer note 31 and 36 (b))	**3,020.0**	-	**-**	-
Inter Corporate Deposit (net of provision ₹ 7.5 million (Previous year Nil)) (Refer note below)	**15,632.1**	594.5	**3,982.5**	12,731.6
(D)	**42,187.7**	17,785.5	**6,437.3**	14,426.0
Deposit-Others	**-**	-	**-**	-
- Considered Good (Refer note 31 and 36(b))	**12,926.9**	3,647.3	**1,102.7**	254.6
- Considered Doubtful	**-**	-	**72.7**	-
	12,926.9	3,647.3	**1,175.4**	254.6
- Provision for Doubtful Deposits	**-**	-	**(72.7)**	-
(E)	**12,926.9**	3,647.3	**1,102.7**	254.6
Total (A+ B + C + D+E)	**76,967.7**	24,901.3	**23,359.7**	37,438.0

Note :
The Group has granted interest bearing inter-corporate loans and deposits aggregating ₹ 22,002.5 million (previous year ₹ 21,337.3 million) (including renewals on due dates) as at March 31, 2016 to its related parties, excluding loans 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 deposits to avail future commercial benefits with an option to purchase underlying assets.

Further, the Group has also extended inter-corporate deposits aggregating ₹ 12,173.7 million (previous year ₹ 12,613.5 million) (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 .

16 Current Investment

(valued at lower of cost and fair value, unless stated otherwise)	**March 31, 2016** ₹ In million	March 31, 2015 ₹ In million
Unquoted mutual funds		
91,03,405.584 units (previous year NIL) of ₹ 10 each in DSP Black Rock Ultra Short term fund Direct Plan Growth	**100.0**	-
2,57,28,677.21 units (previous year NIL) of ₹ 10 each in JM High Liquidity Fund (Direct) -growth option Direct Plan Growth	**1,065.0**	-
77,08,317.274 units (previous year NIL) of ₹ 10 each in LIC NOMURA MF Income Plus Fund - Direct - Growth Plan	**150.0**	-
23,812.968 units (previous year NIL) of ₹ 10 each in Reliance Liquid Fund - Treasury Plan- Direct growth Plan	**50.0**	-
355.93 units (previous year Nil) of ₹ 10 each in Reliance Money Manager Fund - Direct growth plan	**0.7**	-
Nil (previous year 2,00,005.939 units) of ₹ 10 each in DSP Black Rock Liquidity Fund - Direct Plan - Daily Dividend	**-**	200.2
Nil (previous year 9,98,496.517 units) of ₹ 10 each in Birla Sun Life Cash Plus Daily Div - Direct Plan – Reinvest	**-**	100.0
Nil (previous year 12,79,728.144 units) of ₹ 10 each in ICICI Prudential Liquid - Direct Plan-Daily Dividend	**-**	128.0
Nil (previous year 49,998.666 units) of ₹ 10 each in Pramerica Liquid Fund - Direct Plan - Daily Dividend – Reinvest	**-**	50.0
Nil (previous year 14,95,641.577 units) of ₹ 10 each in SBI Premier Liquid Fund - Direct Plan - Daily Dividend	**-**	1,500.5
Nil (previous year 16,94,771.630 units) of ₹ 10 each in Sundaram Money Fund - Direct Plan-Growth	**-**	50.0
	1,365.7	2,028.7
Aggregate amount of unquoted investments	**1,365.7**	2,028.7
Net Assets value	**1,366.7**	2,028.7

17. Inventories (valued at lower of cost and net realizable value)

	Non-Current		Current	
	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million	**March 31, 2016** ₹ In million	March 31, 2015 ₹ In million
Stores, spares and consumable (includes goods in transit of ₹9.9 million (previous year ₹25.2 million)	**-**	-	**2,137.4**	2,591.9
(Refer note 3.1(a)(iii))		1,230.6	**-**	-
Project Work in Progress	**6,827.5**			
	6,827.5	1,230.6	**2,137.4**	2,591.9
Amount disclosed under non-current assets (Refer note 19)	**(6,827.5)**	(1,230.6)	**-**	-
	-	-	**2,137.4**	2,591.9

18. Trade receivables

(Unsecured considered good except to the extent stated below)

	Non-Current		Current	
	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million	**March 31, 2016** ₹ In million	March 31, 2015 ₹ In million
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good (Refer note 44)	**-**	-	**8,830.5**	5,185.0
Considered doubtful	**-**	-	**209.3**	132.8
	-	-	**9,039.8**	5,317.8
Provision for doubtful receivables	**-**	-	**(209.3)**	(132.8)
(A)	**-**	-	**8,830.5**	5,185.0
Other receivables (Refer note below)	**220.0**	4,388.6	**10,606.4**	7,692.7
(B)	**220.0**	4,388.6	**10,606.4**	7,692.7
Total (A + B)	**220.0**	4,388.6	**19,436.9**	12,877.7
Includes dues from related parties (Refer note 31)				
Considered good	**-**	3,561.4	**12,333.4**	4,916.5

Note : Includes ₹305.3 million (previous year ₹6710.3 million) contractually collectable on deferred basis.(incl. where receivable period extended).

19. Other Assets

	Non-Current		Current	
	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million	**March 31, 2016** ₹ In million	March 31, 2015 ₹ In million
Unsecured, considered good unless stated otherwise				
Non-current bank balances (Refer note 20)	**1,329.8**	263.8	**-**	-
(A)	**1,329.8**	263.8	**-**	-
Unamortised ancillary cost of borrowings	**537.1**	870.4	**145.2**	251.3
Receivable for Sale of Investments (Refer note 38(v))	**-**	-	**875.4**	816.2
Non Trade Receivable	**-**	27.6	**130.7**	323.6
Interest accrued on deposits and loans and advances	**18.1**	705.6	**3,572.9**	2,145.8
Other Non Current Assets Project work in progress (Refer note 17, 36 (e), 40)	**6,827.5**	1,230.6	**-**	-
Forward Contracts Receivable	**-**	-	**274.8**	-
Accrued Revenue	**-**	-	**2,369.3**	3,043.3
Land Lease Receivables	**4,668.1**	1,927.2	**37.7**	54.3
Other Assets	**-**	0.3	**-**	-
(B)	**12,050.8**	4,761.7	**7,406.0**	6,634.5
Total (A + B)	**13,380.6**	5,025.5	**7,406.0**	6,634.5

20. Cash and Bank Balances	Non-Current		Current	
	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million	**March 31, 2016** ₹ In million	March 31, 2015 ₹ In million
Cash and cash equivalents				
Balances with banks:				
On current accounts	**-**	-	**5,978.4**	696.6
Deposits with original maturity of less than three months			**1,063.1**	3,146.6
Earmarked balances with banks				
In Current Account (earmarked for Unpaid Dividend)	**-**	**-**	**15.0**	10.4
Cheque on hand	**-**	-	**1,500.0**	1,000.0
Cash on hand	**-**	-	**0.6**	1.3
	-	-	**8,557.1**	4,854.9
Other bank balances				
Deposits with original maturity for more than 12 months	**1,069.4**	260.9	**-**	-
Deposits with original maturity for more than 3 months but less than 12 months	**-**	-	**4,060.1**	728.2
Margin money deposit (Refer note below)	**260.4**	2.9	**292.3**	754.7
	1,329.8	263.8	**4,352.4**	1,482.9
Amount disclosed under non-current assets (Refer note 19)	**(1,329.8)**	(263.8)	**-**	-
	-	-	**12,909.5**	6,337.8

Note: Margin Money and Fixed Deposit includes ₹552.7 million (Previous Year ₹757.6 million) pledged / lien against bank guarantees, letter of credit and cash credit facilities.

21. Revenue from Operations

	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million
a) Income from Port Operations (including related infrastructure)	**54,671.2**	50,801.9
b) Land Lease, Upfront Premium and Deferred Infrastructure Income (Refer note below)	**8,123.4**	865.4
c) Utilities Services	**476.1**	471.8
d) Aircraft Operation	**146.9**	302.9
e) Logistic Services	**6,270.0**	5,919.8
f) Other operating income including construction, Infrastructure development support services and related income	**2,869.7**	3,158.0
	72,557.3	61,519.8

Note

Includes annual discounting income of ₹173.6 million (previous Year ₹177.9 million) in respect of land lease.

22. Other Income

	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million
Interest income on		
Bank deposits, inter corporate deposits etc.	**5,614.3**	5,093.2
Customers	**590.4**	917.2
Dividend income on		
Current Investments	**8.8**	92.4
Long-term Investments	**10.0**	20.0
Profit on sale of Mutual Fund	**300.5**	78.4
Scrap sales	**64.7**	76.5
Profit on sale of fixed asset (net)	**0.1**	23.3
Unclaimed liabilities / excess provision written back	**138.5**	422.7
Miscellaneous income	**120.9**	132.7
	6,848.2	6,856.4

23. Operating Expenses

	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million
Cargo handling / other charges to contractors (net of reimbursement)	**5,694.3**	4,340.2
Purchase of Traded Goods	**1,053.1**	882.6
Customer Claims (include earlier year expense ₹Nil million) (previous year ₹90.4 million)	**162.3**	112.0
Railway's Service Charges (Net)	**2,740.2**	2,942.5
Tug and Pilotage Charges	**551.0**	569.8
Maintenance Dredging	**315.5**	451.7
Other expenses including customs establishment charges	**172.0**	44.8
Repairs to Plant & Machinery	**519.9**	485.4
Stores, Spares and Consumables (net of reimbursement)	**1,331.2**	1,161.6
Repairs to Buildings	**154.3**	137.8
Power & Fuel (net of reimbursement)	**1,712.6**	1,638.9
Waterfront Charges	**2,149.6**	2,120.5
Construction Contract Expenses*	**413.9**	807.9
Cost of Land Leased / Sub-Leased	**60.9**	0.2
Cargo Freight and Transportation Expenses	**759.8**	720.5
Aircraft Operating Expenses	**127.5**	145.7
	17,918.1	16,562.1

*Includes material of ₹321.0 million (previous year ₹306.2 million) and services ₹92.8 million (previous year ₹491.4 million)

24. Employee Benefits Expense

	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million
Salaries, Wages and Bonus (Net of reimbursement)	**2,469.2**	2,050.1
Contribution to Provident & Other Funds	**109.2**	89.9
Gratuity Expense (Refer note 28)	**77.4**	62.3
Workmen and Staff Welfare Expenses	**165.9**	169.3
	2,821.7	2,371.6

25. Other Expenses

	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million
Rent	**212.5**	164.0
Port Management Fees	**639.4**	-
Rates and Taxes	**61.6**	74.9
Insurance (net of reimbursement)	**163.7**	217.3
Advertisement and Publicity	**151.9**	128.4
Other Repairs and Maintenance (net of reimbursement)	**319.6**	254.5
Legal and Professional Expenses	**737.8**	635.3
IT Support Services	**101.6**	106.7
Security Services Charges	**348.7**	203.1
Communication Expenses	**67.1**	33.9
Electric Power Expenses	**12.3**	34.9
Travelling and Conveyance	**251.6**	190.9
Directors Sitting Fee	**3.7**	2.0
Commission to Non-executive Directors	**6.2**	6.0
Charity and Donations (Refer note (c) below)	**568.6**	421.2
Loss on Foreign Exchange Variation (net)	**1,049.4**	722.5
Provision for Doubtful Debts	**76.5**	49.6
Provision for Doubtful Advance and Deposits	**137.6**	-
Loss on Sale of Fixed Assets (net)	**29.2**	-
Miscellaneous Expenses	**373.3**	317.8
	5,312.3	3,563.0

Note:

(a) Assets taken under Operating Leases – Office space and residential houses for staff accommodation are generally obtained on operating leases. The lease rent terms are generally for 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 ₹40.9 million (previous Year ₹33.3 million) incurred under such leases have been expensed in the statement of profit & loss.

(b) Assets taken under Operating Leases – an office premise has 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 ₹1,000 million as per the terms of lease. 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 restrictions imposed by the lease arrangements. Expenses of ₹1.0 million (Previous year ₹1.0 million) incurred under such lease have been expensed in the statement of profit and loss.

Future minimum rentals payable under non-cancellable operating leases are as follows:

(₹ In million)

Particulars	As at March 31, 2016	As at March 31, 2015
Not later than one year	1.0	1.0
Later than one year and not later than five years	4.3	4.2
Later than five years	8.8	9.9

c) Details of Corporate Social Responsibilities		March 31, 2016 ₹ In million	March 31, 2015 ₹ In million
1) Gross Amount required to spent during the year		440.1	365.1
2) Amount spent during the year ended	In Cash	Yet to be	Total
March 31, 2016			
i) Construction/acquisition of any asset	137.7	-	137.7
ii)On purposes other than (i) above	306.9	-	306.9
Total	444.6	-	444.6
March 31, 2015			
i) Construction/acquisition of any asset	32.0	-	32.0
ii)On purposes other than (i) above	334.9	-	334.9
	366.9	-	366.9

26. Finance Costs	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million
Interest		
Debentures/Bonds	4,182.8	3,722.4
Fixed Loans, Buyer's Credit, Short Term etc.	6,985.6	8,059.1
Interest on income tax	35.7	-
Interest Others	15.1	87.2
Bank charges and Amortisation of Ancillary borrowing cost	1,022.8	573.5
	12,242.0	12,442.2
(Gain) /Loss on Derivatives / Swap Contracts (net) (Refer note 3.1 (a) (ii))	(1,251.6)	(691.6)
	10,990.4	11,750.6

27. Earnings Per Share (EPS)	March 31, 2016 ₹ In million	March 31, 2015 ₹ In million
Net Profit for the year	28,673.6	23,143.3
Less : Dividends on Non-Cumulative Redeemable Preference Shares and tax thereon	*-	*-
Net profit for calculation of basic and diluted EPS	28,673.6	23,143.3
* Figures being nullified on conversion to ₹in million.		
	No.	No.
Weighted average number of equity shares in calculating basic and diluted EPS	2,070,951,761	2,070,051,620
Basic and Diluted Earnings per Share in Rupees	13.85	11.18

28 Details of Employee Benefits

1. The Group has recognised, in the Consolidated Statement of Profit and Loss for the current year, an amount of 88.6 million (Previous Year ₹ 84.2 million) as expenses under the following defined contribution plan.

(₹ In million)

Contribution to	2015-16	2014-15
Provident Fund	85.8	80.9
Superannuation Fund	2.8	3.3
Total	88.6	84.2

2. The Group has a defined gratuity plan. Every employee who has completed at least 5 years of service, gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service. The scheme is funded with Life Insurance Company of India (LIC) and Tata AIG Life Insurance Company Limited (Tata AIG) in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the Consolidated Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Consolidated Statement of Profit and Loss

a) Net Employee benefit expense (recognised in Employee Cost)

(₹ In million)

Particulars	Gratuity (Funded)	Gratuity (Funded)
	March 31, 2016	March 31, 2015
Current Service cost	40.2	20.3
Interest Cost on benefit obligation	13.2	9.3
Expected return on plan assets	(9.4)	(7.4)
Actuarial loss recognised in the year	33.4	40.1
Net benefit expense	77.4	62.3

Note: Actual return on plan assets ₹8.6 million (Previous Year ₹9.3 million)

Balance Sheet

b) Details of Provision for gratuity

(₹ In million)

Particulars	Gratuity (Funded)	Gratuity (Funded)
	March 31, 2016	March 31, 2015
Present value of defined benefit obligation	242.7	166.2
Fair value of plan assets	132.3	116.3
Net (liability)	(110.4)	(49.9)

c) Changes in Present Value of the defined benefit obligation are as follows:

(₹ In million)

Particulars	Gratuity (Funded)	Gratuity (Funded)
	March 31, 2016	March 31, 2015
Balance at the beginning of the period	166.2	101.9
Current Service cost	40.2	20.3
Interest Cost	13.2	9.3
Actuarial loss on obligations	32.6	42.0
Benefits paid	(9.5)	(7.2)
Liability Transferred	-	(0.1)
Balance at the end of the period	242.7	166.2

d) Changes in Fair Value of Plan Assets are as follows:

(₹ In million)

Particulars	Gratuity (Funded)	Gratuity (Funded)
	March 31, 2016	March 31, 2015
Opening fair value of plan assets	116.3	87.4
Expected return	9.4	7.4
Contributions by employer	8.5	21.9
Benefits Paid	(1.1)	(2.3)
Actuarial (losses)/ gains	(0.8)	1.9
Closing fair value of plan assets	132.3	116.3

Note:

1. The present value of the plan assets represents the balance available with the LIC / TATA AIG as at the end of the period. The total value of Plan Assets amounting to ₹132.3 million (Previous year ₹116.3 million) is as certified by the LIC/TATA AIG.

2. The Group's expected contribution to the fund in the next financial year is ₹147.9 million.(Previous year ₹48.8 million).

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

Benefit Contribution to	2015-16 %	2014-15 %
Investments with insurers	100	100

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

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

Particulars	Gratuity (Funded)	Gratuity (Funded)
	March 31, 2016	March 31, 2015
Discount rate	7.90% to 7.96%	7.96% to 8.70%
Expected rate of return on plan assets	7.96% to 8.00%	5.83% to 9.38%
Rate of Escalation in Salary (per annum)	9.00%	8.50%
Mortality	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)
Attrition rate	10% for 4 years & below and 1% thereafter	10% for 4 years & below and 1% thereafter

The estimates of future salary increases considered in actuarial valuation and 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 price prevailing on that date, applicable to the period over which the obligation has to be settled. There has been change in expected rate of return on assets due to change in the market scenario.

g) Amounts for the current and previous four periods are as follows: **(₹ In million)**

Gratuity	March 2016	March 2015	March 2014	March 2013	March 2012
Defined benefit obligation	(242.7)	(166.2)	(94.6)	(79.8)	(60.9)
Plan Assets	132.3	116.3	82.2	61.4	50.4
Surplus / (deficit)	(110.4)	(49.9)	(12.4)	(18.4)	(10.5)
Experience loss/ (gain) on plan liabilities	16.3	42.0	1.8	7.2	1.0
Experience loss/ (gain) on plan assets	(0.8)	1.9	1.3	0.4	(0.7)

29. Segment Information

Business Segment

The identified reportable Segments are Port and Special Economic Zone activities and others in terms of Accounting Standard-17 on 'Segment Reporting' as notified under section 133 of the Companies Act 2013 read with paragraph 7 of the Companies (Accounts) Rule, 2014., Other Segment mainly includes Aircraft Operating Income, Services as per Concession agreement with Government of India, Ministry of Railways for movement of Container Trains on specific Railway Routes and Multi-modal Cargo storage cum logistics services through development of Inland Container Depots at various strategic locations. There being no business outside India, the entire business has been considered as single geographic segment. The segment information on Consolidated Financial Statement with Segment wise Revenue, Result and Capital Employed for the year ended March 31, 2016 is given below:--

₹ In million

Sr. No.	Particulars	Port and SEZ Activities	Others	Eliminations	Total
1	**Revenue**				
	External Sales	**67,548.4**	**5,008.9**	-	**72,557.3**
		56,641.6	*4,878.2*	-	*61,519.8*
	Inter-Segment Sales	-	**3,457.6**	**(3,457.6)**	**-**
		-	*3,192.4*	*(3,192.4)*	-
	Total Revenue	**67,548.4**	**8,466.5**	**(3,457.6)**	**72,557.3**
		56,641.6	*8,070.6*	*(3,192.4)*	*61,519.8*
2	**Results**	-		-	-
	Segment Results	**36,049.6**	**207.**	-	**36,257.1**
		29,644.7	*646.6*	-	*30,291.3*
	Unallocated Corporate Income (Net of expenses)	-	-	-	**97.2**
		-	-	-	*461.0*
	Operating Profit	**-**	**-**	-	**36,354.3**
		-	-	-	**30,752.3**
	Less:; Finance Expens	-	**-**	-	**10,990.4**
		-	-	-	*11,750.6*

	Add; Interest Income	-	-	-	**6,204.7**
		-	-	-	*6,010.4*
	Profit before tax	-	-	-	**31,568.6**
		-	-	-	*25,012.1*
	Gross Current Taxes (net of MAT credit)	-	-	-	**1,194.9**
		-	-	-	*(188.2)*
	Deferred Tax	-	-	-	**2,074.3**
		-	-	-	*1,955.4*
	Total Tax	-	-	-	**3,269.2**
		-	-	-	*1,767.2*
	Profit after tax	-	-	-	**28,299.4**
		-	-	-	*23,244.9*
	Less; Minority Interest	-	-	-	**(421.0)**
		-	-	-	*101.6*
	Add ; Share of Associates	-	-	-	**(46.8)**
		-	-	-	-
	Net profit	-	-	-	**28,673.6**
		-	-	-	*23,143.3*
3	**Other Information**	-	-	-	-
	Segment Assets	**256,865.8**	**11,921.6**	-	**268,787.4**
		215,658.9	*11,654.6*	-	*227,313.5*
	Unallocated Corporate Assets	-	-	-	**124,857.3**
		-	-	-	*93,508.4*
	Total Assets	**256,865.8**	**11,921.6**	-	**393,644.7**
		215,658.9	*11,654.6*	-	*320,821.9*
	Segment Liabilities	**17,410.0**	**1,354.3**	-	**18,764.3**
		16,144.8	*977.2*	-	*17,122.0*
	Unallocated Corporate Liabilities	-	-	-	**241,215.3**
		-	-	-	*194,431.4*
	Total liabilities	**17,410.0**	**1,354.3**	-	**259,979.6**
		16,144.8	*977.2*	-	*211,553.4*
	Capital Expenditure during the year	**24,849.4**	**418.7**	-	**25,268.1**
		17,543.2	*467.0*	-	*18,010.2*
	Segment Depreciation(Expense)	**10,287.6**	**506.8**	-	**10,794.4**
		8,651.5	*465.3*	-	*9,116.8*
	Non-Cash Expenses other than Depreciation (net)	**941.0**	**56.0**	-	**997.0**
		520.4	*83.2*	-	*603.6*
	Unallocated Non-Cash Expenses other than Depreciation	-	-	-	**10,990.4**
		-	-	-	*11,750.6*

Previous year figures are in italics

30. 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, 2016	Proportion of Ownership Interest (%) March 31, 2015
1	Adani Logistics Limited	India	**100**	100
2	Karnavati Aviation Private Limited	India	**100**	100
3	MPSEZ Utilities Private Limited	India	**100**	100
4	Mundra SEZ Textile and Apparel Park Private Limited	India	**57**	57
5	Adani Murmugao Port Terminal Private Limited	India	**74**	74
6	Mundra International Airport Private Limited	India	**100**	100
7	Adani Hazira Port Private Limited	India	**100**	100
8	Adani Petronet (Dahej) Port Private Limited	India	**74**	74
9	Hazira Infrastructure Private Limited	India	**100**	100
10	Hazira Road Infrastructure Private Limited	India	**100**	100
11	Adani Vizag Coal Terminal Private Limited	India	**100**	100
12	Adani Kandla Bulk Terminal Private Limited	India	**74**	74
13	Adani Warehousing Services Private Limited	India	**100**	100
14	Adani Ennore Container Terminal Private Limited	India	**100**	100
15	Adani Hospitals Mundra Private Limited	India	**100**	100
16	The Dhamra Port Company Limited# [w.e.f. June 23,2014]	India	**100**	100
17	Adani Food and Agro Processing Park Private Limited ' [w.e.f. May 05,2015]	India	**100**	-
18	Abbot Point Operations Pty Limited' [w.e.f. May 15,2015]	Australia	**100**	
19	Adani Vizhinjam Port Private Limited ' [w.e.f. July 27, 2015]	India	**100**	-
20	Adani Kattupalli Port Private Limited ' [w.e.f. August 14, 2015]	India	**100**	-
21	Dhamra LPG Terminal Private Limited ' [w.e.f. August 24, 2015]	India	**100**	-
22	Adani LPG Terminal Private Limited [w.e.f. August 25, 2015]	India	**100**	-
23	Dhamra LNG Terminal Private Limited ' [w.e.f. September 04, 2015]	India	**100**	-

' Date on which the company was incorporated.
Date on which the company was acquired.

Adani Ports and Special Economic Zone Limited's share in the voting power of associate company as at year end is as follows:

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2016	Proportion of Ownership Interest (%) March 31, 2015
1	Dholera Infrastructure Private Limited	India	**49**	49
2	Dholera Port and Special Economic Zone Limited (Subsidiary of Dholera Infrastructure Private Limited)	India	**49**	49

Adani Ports and Special Economic Zone Limited's share in the voting power in joint ventures as at year end is as follows:

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2016	Proportion of Ownership Interest (%) March 31, 2015
1	Adani International Container Terminal Private Limited	India	**50**	50
2	Adani CMA Mundra Terminal Private Limited	India	**50**	50

Adani Ports and Special Economic Zone Limited's share in voting power of entities with controlling interest

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2016	Proportion of Ownership Interest (%) March 31, 2015
1	Adinath Polyfills Private Limited	India	**100**	100

31. Related Party Disclosures

The Management has identified the following entities and individuals as related parties of the Group for the purposes of reporting as per AS 18 – Related Party Transactions, which are as under:

A. Related parties with whom transaction have taken place during the year.

Associate	Dholera Infrastructure Private Limited Mundra Solar Technopark Pvt Ltd (w.e.f. September 03, 2015 to March 05, 2016)
Joint Venture	Adani International Container Terminal Private Limited Adani CMA Mundra Terminal Private Limited
Entities over which Key Management Personnel and their relatives are able to exercise Significant Influence	Abbot Point Port Holdings Pte Limited- Singapore S.B.Adani Family Trust (SBAFT) 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 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 Maharashtra Eastern Grid Power Transmission Company Limited Sarguja Rail Corridor Private Limited Shanti Builder Gujarat Adani Institute of Medical Science Dholera Port and Special Economic Zone Limited Mundra Solar PV Limited Mundra Solar Technopark Private Limited (w.e.f. March 05, 2016) Gautambhai S. Adani Family Trust
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 Mr Karan G. Adani, Chief Executive Officer (w.e.f. January 01, 2016) Dr. Malay Mahadevia, Wholetime Director Mr. Sudipta Bhattacharya, Chief Executive Officer/Director (till December 31, 2015)

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

Sub Notes:

1 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.

2 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.

3 For the purpose of comparison, the previous year's transactions have been re-classified in the current year.

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Detail of Consolidated Related Party Transactions for the year ended March 31, 2016

(₹ In million)

Category	Name of Related Party	March 31, 2016	March 31, 2015
Income from Port Services /other operating income	Adani Enterprises Limited	3,851.6	3,525.8
	Adani Foundation	23.7	33.1
	Adani International Container Terminal Private Limited	726.6	690.9
	Adani Power Limited	5,197.3	5,304.7
	Adani Power Maharashtra Limited	1,281.3	1,002.7
	Adani Power Rajasthan Limited	1,293.2	1,001.3
	Adani Wilmar Limited	581.9	387.0
	Sarguja Rail Corridor Private Limited	1.0	-
	Adani Mundra SEZ Infrastructure Private Limited	8.4	-
	Mundra Solar Technopark Private Limited	0.8	-
	Mundra Solar PV Limited	8.0	-
	Adinath Polyfills Private Limited	2.2	-
	Adani Bunkering Private Limited	255.5	327.0
Recovery of Expenses (Reimbursement)	Adani Foundation	-	0.2
	Adani International Container Terminal Private Limited	38.6	-
	Adani CMA Mundra Terminal Private Limited	-	2.8
	Gautambhai S Adani Family Trust	-	0.3
Lease & Infrastructure Usage Income/ Upfront Premium (including reversal)	Adani International Container Terminal Private Limited	21.0	21.0
	Adani Power Limited	21.6	21.6
	Adani Power Rajasthan Limited	-	-
	Adani Mundra SEZ Infrastructure Private Limited - (Adjustment)	(1.4)	-
		-	-
	Mundra Solar Technopark Private Limited	4,231.5	-
	Adani Wilmar Limited - (transaction reversal)	(30.5)	5.6
Purchase of Assets	Adani Power Dahej Limited	-	1,142.2
Purchase of Spares and consumables, power and fuel	Adani Enterprises Limited	-	-
	Adani Power Dahej Limited	-	3.8
	Adani Power Limited	2.1	91.0
	Adani CMA Mundra Terminal Private Limited	34.9	-
	Adani Bunkering Private Limited	0.2	1,131.1
Services Availed (including reimbursement of expenses)	Adani Enterprises Limited	252.3	245.1
	Adani Gas Limited	0.1	-
	Adani Global F.Z.E.	-	0.9
	Adani Institute Of Infrastructure Management	-	0.6
	Adani International Container Terminal Private Limited	0.2	1.2
	Petronet LNG Limited	0.1	0.3
	Adani Power Limited	165.1	108.8
	Shanti Builders	-	5.8
	Adani Mundra SEZ Infrastructure Private Limited	23.4	-
	Delhi Golf Link Properties Private Limited	0.6	-
Rent/ Hire charges paid	Adani International Container Terminal Private Limited	8.0	14.4
	Adani Infrastructure & Development Private Limited	8.3	-
	Delhi Golf Link Properties Private Limited	1.0	-
	Adani Properties Private Limited	0.7	0.7
Interest Income on loans/ deposits/deferred accounts receivable	Adani Agri Fresh Limited	1,254.6	1,192.5
	Adani Enterprises Limited	59.7	363.6
	Adani International Container Terminal Private Limited	38.8	36.3
	Adani Power Maharashtra Limited	52.4	14.6
	Adani Power Rajasthan Limited	82.8	39.3
	Adani Power Limited	470.0	917.2
	Adani Bunkering Private Limited	136.8	147.1
	Mundra Solar Technopark Private Limited	58.9	-
	Maharashtra Eastern Grid Power Transmission Co. Ltd.	70.3	-
	Adani Infra (India) Limited	1,415.2	1,222.2
Sale of scrap and Other miscellaneous income	Adani Enterprises Limited	0.6	0.1
	Adani Foundation	0.1	-
	Adani International Container Terminal Private Limited	27.2	0.2
	Adani Power Limited	1.4	2.8
	Adani Power Rajasthan Limited	-	0.2
	Adani Wilmar Limited	1.5	0.6
	Mundra Solar Technopark Private Limited	5.7	-
	Mundra Solar Limited	0.8	-
	Mundra Solar PV Limited	0.7	-
	Adani Bunkering Private Limited	0.2	0.2
Service Line contribution Received	Mundra Solar Technopark Private Limited	8.5	-
Security Deposit Received	Mundra Solar Technopark Private Limited	1.7	-
Sale of Power	Adani Power Limited	16.1	25.6
Purchase of Power	Adani Power Limited	976.5	-
	Adani Enterprises Limited	47.5	-

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Detail of Consolidated Related Party Transactions for the year ended March 31, 2016

(₹ In million)

Category	Name of Related Party	March 31, 2016	March 31, 2015
Loans Given	Adani Agri Fresh Limited.	-	3,098.1
	Adani Enterprises Limited	1,750.0	12,530.0
	Adani International Container Terminal Private Limited	215.6	420.0
	Dholera Infrastructure Private Limited	1.1	0.2
	Dholera Port And SEZ Limited	41.0	-
	Mundra Solar Technopark Private Limited	3,280.9	-
	Maharashtra Eastern Grid Power Transmission Co. Ltd.	4,270.0	-
	Adani Infra (India) Limited	1,000.0	2,793.1
Advance/Deposit Given	Adani Enterprises Limited	5,520.0	-
	Adani Power Limited	2,000.0	-
	Adani Bunkering Private Limited	4,000.0	-
Loans Received back	Adani Agri Fresh Limited.	334.8	1,489.3
	Adani International Container Terminal Private Limited	635.6	-
	Adani Enterprises Limited	1,750.0	12,530.0
	Dholera Infrastructure Private Limited	40.9	-
	Mundra Solar Technopark Private Limited	41.1	-
	Adani Bunkering Private Limited	-	1,926.7
	Adani Infra (India) Limited	-	1,033.1
	Maharashtra Eastern Grid Power Transmission Co.Ltd.	4,333.2	-
Share Application Money Paid / Investment	Adani Enterprises Limited	261.0	51.9
	Mundra Solar Technopark Private Limited	24.0	-
	Adani CMA Mundra Terminal Private Limited	-	152.0
Donation	Adani Foundation	434.5	344.4
Sale of Assets	Adani International Container Terminal Private Limited	3.6	-
Purchase of Assets	Adani Power Dahej Limited	0.4	-
Sale or Redemption of Investment	S.B. Adani Family Trust (SBAFT)	-	1.3
	Adani Green Energy Limited	15.5	-
Remuneration	Mr. Gautam S. Adani	18.0	18.0
	Mr. Sudipta Bhattacharya	107.0	68.0
	Mr. Karan Adani	12.0	-
	Dr. Malay Mahadevia	31.4	103.9
Commission to Director	Mr. Gautam S. Adani	10.0	10.0
Sitting Fees	Mr. Rajesh S. Adani	0.8	0.5
Corporate Guarantee Given	Adani International Container Terminal Private Limited	USD 87.5 Mn	USD 37.5 Mn
	Adani International Container Terminal Private Limited	-	1,525.0
	Adani CMA Mundra Terminal Private Limited	2,240.0	1,525.0
Closing Balance	-		-
Trade Receivable	Adani Enterprises Limited	1,964.1	476.0
	Adani Foundation	1.6	2.3
	Adani Infra (India) Limited	-	1.0
	Adani International Container Terminal Private Limited	22.7	306.7
	Adani Power Dahej Limited	157.4	226.9
	Adani Power Limited	6,230.2	6,329.3
	Adani Power Maharashtra Limited	963.1	278.3
	Adani Power Rajasthan Limited	874.4	803.1
	Adani Wilmar Limited	44.3	47.7
	Sarguja Rail Corridor Private Limited	1.1	-
	Mundra Solar Technopark Private Limited	1,964.4	-
	Adani Mundra SEZ Infrastructure Private Limited	69.0	-
	Mundra Solar PV Limited	7.9	-
	Adani Bunkering Private Limited	33.2	6.6
		12,333.4	**8,477.9**
Loans & Advances (including advance receivable in cash or kind)	Adani Agri Fresh Limited.	10,314.0	10,648.8
	Adani Enterprises Limited	8,043.3	2,502.5
	Adani International Container Terminal Private Limited	-	420.0
	Adani Properties Private Limited	10.0	10.0
	Adani Bunkering Private Limited	4,103.2	1.5
	Adani Infra (India) Limited	11,688.5	10,688.5
	Adani Power Limited	2,000.0	-
	Adani Mundra SEZ Infrastructure Private Limited	247.5	-
	Mundra Solar Technopark Private Limited	3,239.8	-
	Dholera Port And SEZ Limited	41.0	-
	Dholera Infrastructure Private Limited	48.0	87.9
		39,735.3	**24,359.2**
Capital Advances	Adani CMA Mundra Terminal Private Limited	2.8	2.8
	Adani Bunkering Private Limited	-	0.3
	Adani Mundra SEZ Infrastructure Private Limited	220.0	-
		222.8	**3.1**

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Detail of Consolidated Related Party Transactions for the year ended March 31, 2016

(₹ In million)

Category	Name of Related Party	March 31, 2016	March 31, 2015
Trade Payable (including provisions)	Adani Enterprises Limited	124.9	34.4
	Adani Gas Limited	-	-
	Adani International Container Terminal Private Limited	0.8	1.2
	Adani Power Limited	100.0	86.4
	Adani Power Rajasthan Limited	-	-
	Adani CMA Mundra Terminal Private Limited	35.1	-
	Adani Power Dahej Limited	-	3.6
	Adani Bunkering Private Limited	107.3	16.4
	Adani Mundra SEZ Infrastructure Private Limited	4.7	-
	Adani Infrastructure And Developers Private Limited	2.9	-
	Adani Townships and Real Estate Company Pvt. Ltd.	0.1	-
	Petronet LNG Limited.	-	0.3
	Adani Wilmar Limited	0.9	0.1
		376.7	**142.4**
Advances from Customer	Adani Enterprises Limited	4.8	268.8
	Adani Wilmar Limited	11.5	-
	Adani Power Limited	0.6	14.8
	Adani Bunkering Private Limited	20.0	20.1
	Adani Mundra SEZ Infrastructure Private Limited	0.2	-
	Adani International Container Terminal Private Limited	2.0	-
	Kutch Power Generation Limited	32.1	32.1
		71.2	**335.8**
Other Current Assets	Adani Agri Fresh Limited.	-	272.5
	Adani International Container Terminal Private Limited	223.6	225.0
	Adani Power Limited	1,258.1	970.9
	Adani Power Maharashtra Limited	9.9	-
	Adani Power Rajasthan Limited	35.6	15.9
	Adani Wilmar Limited	-	27.7
	Adani Bunkering Private Limited	119.6	-
	Mundra Solar Technopark Private Limited	53.0	-
	Adani Mundra SEZ Infrastructure Private Limited	518.5	-
	Adani Enterprises Limited	53.7	-
	Adani Infra (India) Limited	1,882.3	470.3
	Abbot Point Port Holdings Pte Limited - Singapore	875.3	816.2
		5,029.6	**2,798.5**
Other Current Liabilities	Adani Enterprises Limited	10.0	10.7
	Adani International Container Terminal Private Limited	0.7	0.5
	Adani Power Limited	14.7	-
	Mundra Solar Technopark Private Limited	314.0	-
	Adani Power Dahej Limited	-	22.4
	Adani Wilmar Limited	18.5	18.5
	Adani Bunkering Private Limited	6.0	2.5
	Shanti Builder	0.4	0.4
		364.3	**55.0**
Corporate Guarantee (Given and Outstanding)	Adani International Container Terminal Private Limited	USD 125 Mn	USD 82.50 Mn
	Adani International Container Terminal Private Limited	-	1,525.0
	Adani CMA Mundra Terminal Private Limited	2,240.0	-
	Mundra Port Pty Limited, Australia	USD 800.00 Mn	USD 800.00 Mn
Corporate Guarantee (Deed of indemnity received)	Abbot Point Port Holdings Pte Limited - Singapore	USD 800.00 Mn	USD 800.00 Mn

* Figures being nullified on conversion to ₹ in million.

Note :-

1. The Company has allowed to its joint ventures to avail non fund based bank guarantee and Letter of credit facilities out of its credit facilities. The aggregate of such transaction amount ₹ 1,463.3 million (previous year ₹ 3.1 million) is not disclosed in above schedule.
2. During the year, the Company has taken over assets and liabilities as per composite scheme of merger from Adani Enterprises Limited (refer note 44).
3. 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.
4. For the purpose of comparison, the previous year's transactions have been re-classified in the current year.

32. The Group takes various types of derivative instruments. The category-wise outstanding position of derivative instruments is as under:

Nature	Particulars of Derivatives		Purpose
	As at March 31, 2016	As at March 31, 2015	
INR - Foreign Currency Swap	**USD 146.72 Million (INR 8,523.1 million)**	USD 434.16 Million (INR 23,227.1 million)	Hedging of equivalent rupee non convertible debentures aggregate of ₹4,565.5 million and ₹3,957.6 million of long term loan given by the Company to its subsidiary company (previous year ₹18,293.9 million of non convertible debentures and ₹4933.2 million of long term loan) to mitigate higher interest rate of INR borrowings as against the foreign currency borrowings with possible risk of principal currency losses.
Forward Contract	**USD 547.50 Million (INR 38,014.5 million)**	USD 20.25 Million (INR 3,938.6 million)	Hedging of expected future billing based on foreign currency denominated tariff USD 547.50 Million (previous year USD 20.25 Million).
	USD 65.87 Million (INR 4,449.9	-	Hedging of foreign currency borrowing principal and interest liability of USD 65.87Million (previous year NIL).
	-	EUR 4.65 Million (INR 351.7 million)	Hedging of foreign currency term loan installment liability of NIL (previous year EUR 4.65 Million).
Options	**USD 478.53 Million**	-	Hedging of foreign currency borrowing principal liability of USD 478.53 Million (previous year ₹Nil).
	EUR 6.45 Million	-	Hedging of foreign currency borrowing principal liability of EUR 6.45 Million (Previous year ₹Nil).
Interest rate Swap - Variable to Fixed Rate	**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 100 Million(Previous year USD 5 Million) to reduce fixed interest cost.
Foreign Currency - INR Full Currency Swap	**USD 35 Million (INR 2,287.6 million)**	-	Hedging of currency and interest rate risk of foreign currency borrowing of USD 35 Million (Previous year ₹ NIL)
Interest rate future	**-**	INR 1,045.2 million	Hedging of Interest costs on rupee term loan NIL (previous year ₹1045.2 million)

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

Nature	As at March 31, 2016			As at March 31, 2015		
	Amount	**Foreign Currency**		Amount	Foreign Currency	
	(₹ In million)	**(In million)**		(₹ In million)	(In million)	
Foreign Currency Loan	**59,376.4**	**USD**	**896.18**	73,454.6	USD	1,175.27
	4,634.5	**EUR**	**61.47**	4,610.4	EUR	68.62
	1,102.1	**JPY**	**1,868.49**	1,160.8	JPY	2,226.88
Buyer's Credit	**6,557.4**	**USD**	**98.88**	4,798.9	USD	76.78
	1,583.9	**EUR**	**21.01**	934.5	EUR	13.91
Trade Payables	**30.4**	**USD**	**0.46**	185.1	USD	2.96
	16.5	**EUR**	**0.22**	32.5	EUR	0.49
	8.1	**JPY**	**13.67**	4.3	JPY	8.29
	0.5	**SGD**	**0.01**	0.3	SGD	0.01
	0.4	**GBP**	**0.00**	*	GBP	#
Other Current Liabilities	**534.7**	**USD**	**8.07**	13.3	USD	0.21
	9.6	**EUR**	**0.13**	3.0	EUR	0.04
	-		**-**	0.1	JPY	0.16
Interest accrued but not due	**256.9**	**USD**	**3.88**	442.6	USD	7.08
	16.8	**EUR**	**0.22**	20.9	EUR	0.31
	10.0	**JPY**	**16.87**	10.4	JPY	19.88
Other Receivable	**875.4**	**AUD**	**17.17**	816.2	AUD	17.17
	-		**-**	287.5	USD	4.60
	-		**-**	0.8	EUR	0.01
Foreign currency Bond	**43,065.8**	**USD**	**650.00**	-		

* Figures being nullified on conversion to ₹in million.
# Figures being nullified on conversion to foreign currency in million.

Closing rates as at March 31:

	2016	2015
INR / USD	66.26	62.50
INR / EUR	75.40	67.19
INR / GBP	95.47	92.47
INR / JPY	0.59	0.52
INR / AUD	50.98	47.54
INR / SGD	48.02	45.48

b) Financial risk objectives and policies

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. It uses derivative instruments such as Cross 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 Adani Group 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 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.

Interest rate risk

The Company is exposed to changes in 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. 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.

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.

33. 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 ₹6243.4 million (previous year ₹4506.0 million) for current taxation based on its book profit for the financial year 2015-16 and has recognised MAT credit of ₹6078.2 million (previous year ₹5107.9 million) (read with note 38 (u)) as the management believes, it has convincing evidence 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, whereby, the MAT credit will be utilized post tax holiday period w.e.f. financial year 2017-18.

MAT credit of ₹57.8 million (previous year ₹159.4 million) has been recognised in subsidiary entities, Adani Logistics Limited and Adani Hospitals Mundra Private Limited.

34. 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 :-

Sr. No.	Particulars	2015-16 Unit in Mus	2014-15 Unit in Mus
ia)	Unit Purchased (incl. of GETCO/WR Transmission Losses)	183.28	83.82
ib)	UI Purchased	17.89	2.09
ic)	Third Party Sale	8.37	-
i)	Net Units Purchased	192.80	85.91
ii)	Unit Sold	184.76	77.73
iii)	Transmission & Distribution Losses	8.04	8.18
iv)	Transmission & Distribution Losses (%)	4.39%	9.76%

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 million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
A. Project Expenditure	**18,402.4**	9,686.3
B. Capital Inventory	**5,095.0**	2,978.5
C. Expenditure during Construction Period :		
Personnel Expenses		
Salaries, Wages & Bonus	**65.2**	85.7
Contribution to Provident Fund	**2.7**	3.3
Workmen and Staff Welfare Expense	**-**	1.7
Sub Total	**67.9**	90.7
Other Expenses		
Power & Fuel	**7.2**	20.8
Insurance	**-**	6.4
Other Repairs and Maintenance	**1.6**	5.1
Legal and Professional Expenses	**36.9**	286.2
Travelling and Conveyance	**9.5**	34.5
Vehicle Hiring Charges	**2.8**	-
Rent	**3.0**	15.7
Security Charges	**1.4**	10.4
Other Expenses	**25.1**	501.7
Factory and Office Expenses	**2.0**	-
License Fee for water front & Installation Charges	**-**	32.6
Sub Total	**89.5**	913.4
Financial Expenses		
Interest on Borrowings	**554.1**	122.9
Bank Charges	**13.4**	4.5
Ancillary Cost of Borrowings	**-**	1.7
Sub Total	**567.5**	129.1
Less: Interest Income on Bank Deposits and others	**(236.2)**	(5.6)
Depreciation	**680.7**	772.2
Total Expenditure (a)	**1,169.4**	1,899.8
Trial Run Income (net of expenses)	**-**	114.5
Scrap Sales	**(8.8)**	(54.2)
Miscellaneous Income	**-**	(12.3)
Total Income (b)	**(8.8)**	48.0
Net (a) + (b)	**1,160.6**	1,947.8
Brought Forward from Previous Year	**90.7**	623.3
Total	**1,251.3**	2,571.1
Amount capitalized during the year	**(881.8)**	(2,480.2)
Balance Carried Forward Pending Allocation / Capitalisation	**368.9**	90.7
Total Capital Work In Progress (A + B + C)	**23,866.3**	12,755.5

Note:

The above expenditure excludes operational expenditure related to project assets, such as fuel and stores & spares consumption, which has been directly allocated as project expenditure.

36 Capital Commitments

(₹ In million)

Particulars	As at March 31, 2016	As at March 31,2015
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	**46,717.2**	26,330.2

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 subsidiary companies/joint venture company 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 :

Name of Subsidiaries / Joint Ventures	% of Non disposal undertaking (Apart from pledged)		% of Share Pledged of the total shareholding of investee company	
	As on March 31,2016	As on March 31,2015	As on March 31,2016	As on March 31,2015
Adani Petronet (Dahej) Port Private Limited	21%	21%	30%	30%
Adani Murmugao Port Terminal Private Limited	-	21%	-	11%
Adani Hazira Port Private Limited	21%	21%	27%	27%
Adani Vizag Coal Terminal Private Limited	21%	21%	26%	26%
Adani International Container Terminal Private Limited	21%	21%	13%	13%
The Dhamra Port Company Limited	21%	21%	30%	17%

b)(i) Memorandum of Understanding (MoU) entered to acquire non-controlling equity stake in the Company's two subsidiaries having port operations and an agri-infrastructure storage business under various concession agreements. Transaction is subject to final valuation and approval from relevant regulatory authorities. Advance given ₹3,020 million.

(ii) Memorandum of Understanding (MoU) entered to acquire immovable properties. Transaction is subject to final valuation. Advance given ₹7,000 million.

(iii) Contract/ Commitment for purchase of certain supplies. Advance given ₹4,000 million.

c) The Company has, through its subsidiary Adani Kattupalli Port Private Limited (AKPPL), entered into an in principle agreement 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 approvals from the Government of Tamil Nadu and Central Government, and the port being demerged from LTSB. While awaiting the necessary approvals, APSEZ through its subsidiary AKPPL has entered into an arrangement to take over the operations of the Port.

d) The Company has imported duty free plant and machinery under the EPCG Scheme for which an export obligation of ₹177.3 million that is equivalent to 6 times of duty saved NIL (previous year ₹29.5 million). During the year, the Company has fulfilled export obligation.

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 ₹22,412.3 million (previous year ₹21,070.7 million) which is equivalent to 6 to 8 times of duty saved ₹3,005.1 million (previous year ₹2,718.3 million) . The export obligation has to be completed by 2017-18, 2018-19, 2019-20 and 2020-21.

e) As at March 31, 2016, the Company has spent cost of ₹4,930 million towards development of Container Infrastructure Facilities for subsequent to sale / lease to joint venture entities. The Company expects to sale / lease these infrastructure facilities once necessary approvals from concerned government authorities are received.

37 Disclosure pursuant of Accounting Standard (AS) – 7 (revised) – Construction Contracts are as under

(₹ In million)

Particulars	As at March 31, 2016	As at March 31,2015
a) Contract revenue recognized during the year	1,793.6	101.7
b) Disclosure for Contract in Progress		
(i) Aggregate amount of contract costs incurred up to date	543.9	58.2
(ii) Recognised Profit (Less recognised losses)	1,249.7	43.5
(iii) Customer advances outstanding		--
(iv) Retention money due from customers	3.0	28.7
c) Amount due from customers	157.5	-
d) Amount due to customers	-	-

38 Contingent Liabilities not provided for

(₹ In million)

S.No	Particulars	As at March 31, 2016	As at March 31,2015
a)	Corporate Guarantees given to banks and financial institutions against credit facilities availed by the joint venture entities. Amount outstanding there against ₹8,000.2 million (previous Year ₹6,634.4 million).	10,521.9	6,681.3
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 ₹30,013.5 million (previous Year ₹30,437.5 million).	Refer note (v) below	Refer note (v) below
c)	Bank Guarantees and Letter of Credit facilities availed by the joint venture entities against credit facilities sanctioned to the company.	1,463.3	3.1
d)	Bank Guarantees given to government authorities and bank (also includes DSRA bank guarantees given to Bank on behalf of subsidiaries and erstwhile subsidiaries.)	875.4	1,624.5
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.	9.4	9.4
f)	Show cause notices from the Custom Authorities against duty on port related cargo. The Company has given deposit of ₹0.5 million (previous year ₹0.5 million) 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.	1.4	1.9
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.	2.5	2.5
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, 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. The Excise department has demanded recovery of the duty along with penalty and interest thereon. The Company has given deposit of ₹45.0 million (previous Year ₹45.0 million) against the demand. The matters are pending before 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. During the 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 demand in respect of dispute relating to FY 2005-06 to FY 2010 -11 (up to Sept 2011).	200.7	1,118.0

i)	Show cause notices received from Commissioner of Customs and Central Excise, Rajkot in respect of levy of service tax on various services provided by the Company and wrong availment of CENVAT credit by the Company during financial year 2009-10 to 2011-12. The matter is currently pending at High Court of Gujarat ₹67.2 million (previous Year ₹67.2 million); Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad ₹1.5million (previous Year ₹1.5 million) and Commissioner of Service Tax Ahmedabad ₹0.3 million (previous Year ₹0.3 million). 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.	**69.0**	69.0
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.	**20.0**	20.0
k)	The Company's tax assessments is completed till assessment year 2012-13, pending appeals with Appellate Tribunal for AY 2008-09 to 2011-12. The management is reasonably confident that no liability will developed on the Company.	**Refer note (u) below**	Refer note (u) below
l)	In terms of the Show Cause Notice issued by the Office of the Commissioner of Customs for a demand of ₹183.3 million along with applicable interest and penalty thereon for the differential amount of Customs Duty in respect of import of Bombardier Challenger CI-600 under Non-Scheduled Operation Permit (NSOP) has been raised on the Company.	**183.3**	-
m)	In terms of the Show Cause cum Demand Notice issued to Karnavati Aviation Private Limited by the Office of the Commissioner of Customs Preventive Section dated 27/02/2009, a demand of ₹146.7 million 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 .	**145.3**	145.3
n)	National Green Tribunal (Western Zone) Bench, Pune has passed an penalty order in a matter relating to environmental deficiencies observed by the Tribunal in which Company is one of the respondent. As per the order, the Company has deposited ₹250.0 million with the Collector, Surat. The Company has appealed against the order of National Green Tribunal in Supreme Court. The management is confident that no liability will devolve on the Company in this regard.	**250.0**	-
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. The management is of the view that no liability shall arise on the subsidiary companies.	**287.1**	645.2
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 ₹8.0 million on the Company. The Company has filed an appeal against the said demand. The provision has not been made in books of account as the Company is hopeful of defending its claim before the authorities and disclosed under contingent liabilities. The Company has paid ₹4.0 million under protest.	**8.0**	8.0
q)	Notice received from Superintendent of Service Tax Department and show cause from Directorate General of Central Excise Intelligence for non payment of service tax on domestic air travel and on certain foreign travel on reverse charge base mechanism. 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 subsidiary company. The Company has paid ₹3.5 million under protest.	**37.1**	37.1
r)	Statutory claims not acknowledged as debts	**4.6**	4.6
s)	Interest claims not acknowledged as debts	**13.2**	11.5
t)	Bill Discounting with banks	**4,995.1**	4,496.7

(u) The Company earns interest income on funds lend 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 income tax authorities has assessed in respect of assessment years up to 2011–12 based on order of CIT (Appeals). The income tax authorities have filed appeal with Income Tax Appellate Tribunal in the matter as regards netting off interest income with interest expenditure.

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 31,2016 and accordingly, no provision is required for income tax on such income. Based on this, the Company has accounted higher MAT credit of ₹1,039.0 and ₹779.6 million for year ended March 31, 2016 and year ended March 31, 2015, respectively. Aggregating higher MAT credit entitlement of ₹2,408.6 million as at March 31, 2016 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 amended 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.

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.

39 Interest in a joint venture

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 million)

Particulars	Adani CMA Mundra Terminal Private Limited#		Adani International Container Terminal Private Limited	
	March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015
Share Capital and Reserve & Surplus	**320.6**	312.9	**2,472.2**	2,624.8
Non-current Liabilities	**-**	-	**5,624.9**	5,298.8
Current Liabilities	**2,056.5**	2.8	**2,980.7**	3,376.2
Non-current Assets	**2,263.4**	-	**10,864.1**	11,131.5
Current Assets	**113.7**	315.7	**213.7**	168.3
Revenue	**12.6**	17.8	**2,169.9**	1,842.0
Operating Expenses	**-**	-	**(489.2)**	(427.3)
Terminal Royalty Expenses	**-**	-	**(393.0)**	(319.9)
Employee Benefit Expenses	**-**	-	**(29.9)**	(29.1)
Depreciation Expenses	**-**	-	**(588.7)**	(593.8)
Other Expenses	**(0.7)**	(3.1)	**(52.2)**	(43.8)
Finance charges	**(0.3)**	-	**(475.8)**	(578.4)
Profit / (Loss) before tax	**11.6**	14.7	**141.1**	(150.3)
Income-tax expense	(3.9)	(5.8)	(293.8)	(130.1)
Profit / (Loss) after tax	**7.7**	8.9	**(152.7)**	(280.4)
Capital and Other Commitments	**-**	-	**12,025.9**	0.1

Incorporated during the previous year on July 30, 2014.

40 Based on the preliminary agreement dated September 30, 2014 entered by the Company with one of the party for development and maintenance of Liquefied Natural Gas (LNG) infrastructure facilities at Mundra (Mundra LNG Project). The Company during the quarter ended September 30, 2014, had recognised project service revenue of ₹2,000 million pending conclusion of definitive agreement towards land reclamation based on the activities completed. 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.

As at March 31, 2016, the Company has also spent ₹2,223.6 million towards development of Port Infrastructure Facilities to support LNG Project at Mundra. Based on broader understanding as per Preliminary agreement between the Group and the party, the Company expects to sale / lease these infrastructure facilities once definitive agreement for Mundra LNG Project is concluded.

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.

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit / (loss)	
	As % of consolidated net assets	Amount ₹ In million	As % of consolidated profit / (loss)	Amount ₹ In million
Parent Company				
Adani Ports and Special Economic Zone Limited	59.73%	79,838.3	96.83%	27,764.9
Subsidiary Companies				
Indian				
The Dhamra Port Company Ltd.	5.87%	7,848.0	3.99%	1,144.7
Adani Hazira Port Pvt. Ltd.	3.63%	4,851.8	7.68%	2,201.1
Adani Petronet Dahej Port Pvt. Ltd.	4.90%	6,544.9	2.00%	572.3
Adani Murmugao Port Terminal Pvt. Ltd.	2.65%	3,537.2	-1.73%	(497.3)
Adani Logistics Ltd.	12.94%	17,290.2	0.53%	151.1
Adani Vizag Coal Terminal Pvt. Ltd.	1.45%	1,944.5	-2.06%	(590.3)
Adani Warehousing Services Pvt. Ltd.	0.00%	(0.2)	0.00%	(0.2)
Adani Hospitals Mundra Pvt. Ltd.	0.03%	38.7	0.03%	7.8
Mundra International Airport Pvt. Ltd.	0.03%	43.1	-0.04%	(10.6)
Mundra Sez Textile And Apparel Park Pvt. Ltd.	0.10%	128.8	-0.27%	(77.9)
MPSEZ Utilities Pvt. Ltd.	0.17%	229.2	-0.14%	(39.3)
Adani Ennore Container Terminal Pvt Ltd	3.10%	4,144.9	0.00%	(0.3)
Karnavati Aviation Pvt. Ltd.	0.62%	832.4	-0.65%	(185.4)
Hazira Infrastructure Pvt. Ltd.	0.01%	12.0	0.02%	5.0
Hazira Road Infrastructure Pvt. Ltd.	0.00%	(0.5)	0.00%	(0.2)
Adani Kandla Bulk Terminal Pvt. Ltd.	6.43%	8,589.1	-5.21%	(1,493.6)
Adani Food and Agro Processing Park Pvt. Ltd.	0.00%	0.7	-0.01%	(2.3)
Adani Vizhinjam Port Pvt. Ltd	0.18%	239.4	-0.12%	(34.1)
Adani Kattupalli Port Pvt. Ltd	0.23%	302.8	-2.22%	(636.7)
Dhamra LPG Terminal Pvt. Ltd	0.00%	(0.5)	0.00%	(0.5)
Adani LPG Terminal Pvt. Ltd	0.00%	(0.1)	0.00%	(0.1)
Dhamra LNG Terminal Pvt. Ltd	0.00%	-	0.00%	-
Foreign				
Abbott Point Operations Pty Ltd.	0.00%	(3.7)	-0.01%	(3.5)
Minority interest in all subsidiaries	1.07%	1,428.8	1.47%	421.0
Associates (Investments as per equity method)				
Indian				
Dholera Infrastructure Private Limited	0.00%	-	-0.16%	(46.8)
Joint Ventures (as per proportionate consolidation method)				
Indian				
Adani International Container Terminal Private Limited	-3.09%	(4,130.7)	0.13%	36.0
Adani CMA Mundra Terminal Private Limited	-0.01%	(15.7)	0.03%	7.7
Controlling interest				
Indian				
Adinath Polyfills Private Limited	-0.02%	(28.2)	-0.07%	(18.8)
Total	**100.00%**	**133,665.1**	**100.00%**	**28,673.6**

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

The Non Government Railway Agreement has been signed between Ministry of Railway (MoR) & DPCL on November 01, 2015 and as per the provisions made in the Agreement , apportionment of railway revenue shall be calculated from the date of signing the agreement. Before finalization of the agreement, share of revenues of ₹1,078.1 million from ECoR has been computed and recognized during the period from April 01, 2015 to October 31, 2015 as per the principles specified in the letter dated December 20, 2013 received from EcoR. After finalization of the agreement, share of revenues of ₹612.4 million has been recognized in books for the period November 01, 2015 to March 31, 2016.Total outstanding receivable from ECoR as at March 31, 2016 is ₹1,748.6 million (Previous year ₹1,523.3 million) for which management is confident of recovery even though the amounts are received from Railways on piecemeal basis.

43 During the current year, the Company has issued USD 650 million (equivalent to ₹43,065.8 million), US Dollars denominated Notes in the international market. The Notes bear fixed interest of 3.50 % p.a. and have been priced at 195 basis points over the 5 years US Treasury Note, at an issue price of 99.524 of its principal amount to yield 3.605%. The difference between the issue price and the face value of the Notes and the expenses related to issue of Notes aggregating ₹595.4 million is adjusted against the Securities Premium account in terms of section 52 of the Companies Act, 2013.
Further, during the current year, the Company has utilised ₹488.8 million out of the Securities Premium account in terms of section 52 of the Companies Act, 2013 towards premium on early redemption of debentures and towards debenture issue expenditure.

44 The Company has 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 1,55,32,61,781 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 1,55,23,61640 equity shares held by AEL in the Company was cancelled pursuant to the scheme. Also the Company recorded the assets and liabilities of the Port Undertaking, 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 difference being 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 ₹268.0 million has been credited to General Reserve Account of the Company as per the directions stated in the scheme.
In the above scheme, the Company has taken over fixed assets of ₹280.2 million, trade payable of ₹46.6 million, trade receivable of ₹30.4 million and loans and advances ₹5.7 million.

45 Previous year figures

Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

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 03, 2016

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]

Dipti Shah [Company Secretary]

Place : Ahmedabad
Date : May 03, 2016

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;

(a) 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;

(f) 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 ₹ 91,030.3 million and net assets of ₹ 15,799.9 million as at March 31, 2017, and total revenues of ₹ 25,689.0 million and net cash outflows/(inflows) of ₹ 2,941.7 million 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 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

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Consolidated Balance Sheet as at March 31, 2017

₹ In Million

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	**165,692.6**	164,666.0	159,508.5
Capital work-in-progress	3	**45,139.7**	19,667.6	10,869.3
Goodwill	3	**26,703.9**	26,445.8	26,468.6
Other Intangible Assets	3	**18,138.5**	17,720.4	17,573.3
Financial assets				
(i) Investments	4	**2,523.3**	4,085.0	2,295.4
(ii) Trade Receivables	5	**136.3**	220.0	4,388.6
(iii) Loans	6	**-**	29,139.4	511.4
(iv) Loans - Jointly Controlled Entities	6	**7,593.2**	—	—
(v) Other financial assets	7	**8,407.9**	21,393.7	6,032.2
Deferred Tax Assets (net)	26	**19,915.6**	14,226.6	8,763.0
Other Non-Current Assets	8	**22,525.6**	17,897.0	7,261.9
		316,776.6	315,461.5	243,672.2
Current Assets				
Inventories	9	**6,570.9**	2,118.9	2,568.5
Financial assets				
(i) Investments	10	**9,090.3**	1,366.8	2,028.8
(ii) Trade Receivables	5	**19,647.6**	19,365.8	13,162.0
(iii) Customers' bills discounted	5	**7,282.3**	4,995.1	4,496.7
(iv) Cash and Cash Equivalents	11	**9,510.3**	8,430.0	4,452.3
(v) Bank Balances other than (iv) above	11	**10,257.7**	4,352.4	1,482.9
(vi) Loans	6	**17,483.0**	15,678.5	34,071.6
(vii) Loans - Jointly Controlled Entities	6	**343.2**	—	840.0
(viii) Other Financial Assets	7	**10,066.2**	5,999.6	3,610.1
(ix) Advance paid for Acquisition	37(c)	**14,500.0**	—	—
Other Current Assets	8	**14,322.7**	8,291.3	5,515.3
		119,074.2	70,598.4	72,228.2
Total assets		**435,850.8**	**386,059.9**	**315,900.4**
Equity And Liabilities				
Equity				
Equity Share Capital	12	**4,141.9**	4,141.9	4,140.1
Other Equity	13	**171,117.9**	130,913.0	108,664.7
Total Equity attributable to Equity holders of the parent		**175,259.8**	135,054.9	112,804.8
Non-Controlling Interests		**1,392.4**	1,239.6	1,388.0
Total Equity		**176,652.2**	**136,294.5**	**114,192.8**
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	14	**179,932.4**	158,196.7	133,219.4
(ii) Other Financial Liabilities	15	**930.3**	993.5	3,240.5
Provisions	19	**110.1**	48.0	40.0
Deferred tax liabilities (net)	26	**2,157.1**	2,211.4	1,188.6
Other Non-Current Liabilities	16	**10,509.6**	9,344.5	10,392.9
		193,639.5	170,794.1	148,081.4
Current Liabilities				
Financial Liabilities				
(i) Borrowings	17	**25,338.9**	31,338.1	12,886.8
(ii) Customers' bills discounted	17	**7,282.3**	4,995.1	4,496.7
(iii) Trade and other payables	18	**4,937.2**	4,032.9	3,556.8
(iv) Other Financial Liabilities	15	**19,976.6**	34,678.1	28,746.4
Provisions	19	**872.2**	610.0	405.4
Liabilities for Current Tax (net)	26	**1,939.1**	309.6	430.4
Other Current Liabilities	16	**5,212.8**	3,007.5	3,103.7
		65,559.1	78,971.3	53,626.2
Total Liabilities		**259,198.6**	**249,765.4**	**201,707.6**
Total Equity and Liabilities		**435,850.8**	**386,059.9**	**315,900.4**

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]

Dipti Shah
[Company Secretary]

Place : Ahmedabad
Date: May 24, 2017

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Consolidated Statement of Profit and Loss for the year ended March 31, 2017

₹ In Million

Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
Income			
Revenue from Operations	**20**	**84,393.5**	71,086.5
Other Income	**21**	**10,401.1**	7,326.7
Total Income		**94,794.6**	78,413.2
Expenses			
Operating Expenses	**22**	**21,678.9**	18,353.0
Employee Benefits Expense	**23**	**3,831.4**	2,758.1
Depreciation and Amortization Expense		**11,601.9**	10,629.6
Foreign Exchange (Gain) / Loss (net)		**(2,774.4)**	503.0
Finance Costs	**24**		
(i) Interest and Bank Charges		**12,812.4**	11,936.1
(ii) Derivative Loss/ (Gain) (net)		**1,119.4**	(693.1)
Other Expenses	**25**	**4,736.3**	3,732.1
Total Expenses		**53,005.9**	47,218.8
Profit before tax		**41,788.7**	31,194.4
Tax expense:	**26**		
Current tax		**8,815.9**	7,299.6
Adjustment of tax relating to earlier periods		**1.3**	(2.7)
Deferred tax		**1,753.3**	1,667.2
Less: Tax (credit) under Minimum Alternate Tax (MAT)		**(7,704.2)**	(6,136.0)
Total tax expense		**2,866.3**	**2,828.1**
Profit after tax and before share of profit/(loss) from jointly controlled entities Share of profit from jointly controlled entities		**38,922.4**	**28,366.3**
		92.6	**192.7**
Profit for the Year	**(A)**	**39,015.0**	28,559.0
Attributable to:			
Equity holders of the parent		**39,115.2**	28,971.6
Non-controlling interests		**(100.2)**	(412.6)
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		**50.1**	(33.8)
Income tax impact, (charge)		**(16.1)**	11.7
		34.0	**(22.1)**
Net Gains on FVTOCI Equity Investments		**32.4**	231.6
Income tax impact, credit / (charge)		**0.3**	(39.7)
		32.7	**191.9**
Net Other Comprehensive Income for the year not to be reclassified to profit or loss in subsequent periods	**(B)**	**66.7**	**169.8**
Total Comprehensive income for the year net of tax	**(A)+(B)**	**39,081.7**	**28,728.8**
Attributable to:			
Equity holders of the parent		**39,199.4**	29,137.2
Non-controlling interests		**(117.7)**	(408.4)
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]

Dipti Shah
[Company Secretary]

Place : Ahmedabad
Date: May 24, 2017

ADANI PORT AND SPECIAL ECONOMIC ZONE LIMITED
Consolidated Cash flow Statement for the year ended March 31, 2017

₹ In Million

	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	**41,788.7**	31,194.4
	Adjustments for :		
	Depreciation and Amortization Expense	**11,601.9**	10,629.6
	Unclaimed Liabilities / Excess Provision Written Back Cost of	**(67.8)**	(138.5)
	Land transferred under finance lease	**18.4**	60.9
	Recognition of Deferred Income under Long Term Land Lease / Infrastructure Usage Agreements	**(515.9)**	(524.9)
	Financial Guarantee	**(88.2)**	(121.3)
	Government Grant	**(93.3)**	(88.8)
	Finance Cost	**12,812.4**	11,936.1
	Unrealised Foreign Exchange Loss / (Gain)	**2,216.0**	(666.7)
	Derivative Loss/(Gain)	**1,119.4**	(693.1)
	Allowances for Doubtful Debts	**41.3**	130.7
	Allowances for Doubtful Advance and Deposits	**53.5**	137.6
	Finance Income (Including for change in fair valuation) Dividend	**(8,673.8)**	(6,312.0)
	Income	**(22.0)**	(18.8)
	Profit on sale of Current Investments	**(373.4)**	(300.5)
	Diminution in value of Inventories	**211.5**	-
	Amortisation of benefit under Deposit	**87.4**	61.2
	Loss on Sale / Discard of Property, Plant and Equipment (net) Profit on	**35.4**	29.1
	sale of Non Current Investment	**(29.9)**	(3.5)
	Operating Profit before Working Capital Changes	**60,121.6**	45,312.3
	Adjustments for :		
	Decrease/(Increase) in Trade Receivables	**328.3**	(2,149.5)
	(Increase) in Inventories	**(229.5)**	(52.0)
	(Increase) in Financial Assets	**(1,022.8)**	(3,603.0)
	(Increase) in Other Assets	**(13,833.1)**	(8,282.1)
	Increase in Provisions	**350.6**	178.8
	Increase in Trade Payables	**596.3**	428.3
	(Decrease)/Increase in Other Financial Liabilities	**(623.9)**	340.0
	Increase/(Decrease) in Other Liabilities	**1,564.3**	(952.0)
	Cash Generated from Operations	**47,251.8**	31,220.8
	Direct Taxes paid (Net of Refunds)	**(7,232.8)**	(7,415.6)
	Net Cash Inflow from Operating Activities	**40,019.0**	23,805.2
B	**Cash Flow from Investing Activities**		
	Purchase of Plant, Property and Equipment	**(36,875.1)**	(21,247.7)
	Deposits given against Commitments	**-**	(9,145.0)
	Refund of Deposits given against Commitments	**7,569.5**	-
	Payment made towards Acquisition of Equity- Subsidiaries Advance	**(1,062.7)**	-
	paid towards Acquisition of Equity	**-**	(2,500.0)
	Advance received back as above	**2,500.0**	-
	Advance paid for Acquisition of Business	**(14,500.0)**	-
	Investment made in Non Convertible Redeemable Debentures	**-**	(1,500.0)
	Proceeds on sale of Non Convertible Redeemable Debentures	**1,566.2**	-
	Purchase of Non current Investment in Associate	**-**	(24.4)
	Proceed on Sale of Investment in Associates	**-**	19.0
	Inter-corporate Deposit / Loans given	**(34,934.0)**	(48,208.1)
	Inter-corporate Deposit/ Loans received back	**54,375.5**	38,352.5
	Proceeds from / (Deposits in) Fixed Deposits with a maturity period of more than 90 days (net) including Margin Money Deposits (net)	**(5,078.8)**	(3,935.4)
	Sale/(Purchase) of Investments in Mutual Fund (net)		
	Short term Investments in Debentures and Commercial Papers	**1,594.8**	962.5
		(8,944.9)	-
	Proceeds from Sale of Fixed Assets		
	Dividend Received	**4.6**	145.6
	Interest Received	**22.0**	18.8
	Net Cash Outflow used in Investing Activities	**7,968.7**	5,530.6
		(25,794.2)	(41,531.6)

C	**Cash Flow from Financing Activities**		
	Proceeds from Long Term Borrowings (Including bond issue	**119,875.8**	134,393.7
	Repayment of Long Term Borrowings (including Debentures) Proceeds	**(114,866.6)**	(110,462.5)
	from Short Term Borrowings	**209,755.4**	161,808.2
	Repayment of Short Term Borrowings	**(215,507.5)**	(142,908.7)
	Interest & Finance Charges Paid	**(10,875.3)**	(12,326.9)
	Cost of Issuance of Bonds/ Debentures and Premium paid on redemption of debenture	**(288.1)**	(886.2)
	Loss on settlement of Derivative Contracts	**(1,240.6)**	(2,171.0)
	Payment of Dividend on Equity and Preference Shares	**(6.8)**	(4,555.1)
	Tax on Equity and Preference Share Dividend Paid	**-**	(927.4)
	Advance paid towards acquisition of non-controlling interest in subsidiaries	**-**	(520.0)
	Payment towards acquisition of non-controlling interest in subsidiaries	**(93.4)**	-
	Inflow from Non-Controlling Interest	**-**	260.0
	Net Cash (Outflow)/Inflow from Financing Activities	**(13,247.1)**	21,704.1
D	**Net Increase in Cash and Cash Equivalents (A+B+C)**	**977.7**	3,977.7
E	**Cash and Cash Equivalents at the Beginning of the year (refer**	**8,430.0 -**	4,452.3 -
F	**Cash and Cash Equivalents on acquisition of subsidiary**	**102.6**	-
G	**Cash and Cash Equivalents at the End of the year (refer note 11)**	**9,510.3**	8,430.0

Components of Cash & Cash Equivalents		
Cash on Hand	0.4	0.6
Cheque on hand	-	1,500.0
Balances with Scheduled Banks	-	-
- On Current Accounts	9,150.5	6,914.4
- On Current Accounts Earmarked for unpaid dividend and share application refund money	8.2	15.0
- On Fixed Deposit Accounts	351.2	-
Cash and Cash Equivalents at end of the year	**9,510.3**	8,430.0
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 ₹ 697,888.8 million (previous year ₹ 448,965.7 million) and sale of Mutual Fund of ₹ 699,109.8 million (previous year ₹ 449,929.3 million).

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]

Dipti Shah
[Company Secretary]

Place : Ahmedabad
Date: May 24, 2017

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

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

₹ In Million

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	Reserves & Surplus						Other Comprehensive Income-FVTOCI	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	**4,140.1**	**1,658.8**	**26,441.2**	**(2,027.0)**	**3,993.8**	**-**	**13,205.4**	**64,224.9**	**1,167.6**	**112,804.8**	**1,388.0**	**114,192.8**
Profit for the year	-	-	-	-	-	-	-	28,971.6	-	28,971.6	(412.6)	28,559.0
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Re-measurement gains / (losses) on defined benefit plans (net of tax)	-	-	-	-	-	-	-	(22.1)	-	(22.1)	-	(22.1)
Fair valuation of investments measured at FVTOCI (net of tax)	-	-	-	-	-	-	-	-	187.7	187.7	4.2	191.9
Total comprehensive income for the year	-	-	-	-	-	-	-	**28,949.5**	**187.7**	**29,137.2**	**(408.4)**	**28,728.8**
Cash Dividends	-	-	-	-	-	-	-	(4,555.1)	-	(4,555.1)	-	(4,555.1)
Dividend distribution tax (DDT)	-	-	-	-	-	-	-	(927.4)	-	(927.4)	-	(927.4)
Foreign currency gain /(loss) during the year (including translation)	-	-	-	(1,608.4)	-	-*	-	-	-	(1,608.4)	-	(1,608.4)
Amortised during the year in the consolidated statement of profit and loss	-	-	-	1,018.2	-	-	-	-	-	1,018.2	-	1,018.2
Issue of equity shares as per Scheme of arrangement (Refer note 44(b))	3,106.5	-	-	-	-	-	-	-	-	3,106.5	-	3,106.5
Cancellation of equity shares as per Scheme of arrangement (Refer note 44(b))	(3,104.7)	-	-	-	-	-	-	-	-	(3,104.7)	-	(3,104.7)
Excess of Net Assets taken over and share issued under Scheme of arrangement (Refer note 44 (b))	-	-	-	-	-	-	268.0	-	-	268.0	-	268.0
Transfer to General Reserve	-	-	-	-	(2,758.8)	-	2,758.8	-	-	-	-	-
Transfer to Debenture Redemption reserve	-	-	-	-	5,153.8	-	-	(5,153.8)	-	-	-	-
Adjustment of Bond Issue Expenses as per Section 52(2)(c) of the Companies Act, 2013 (refer note 13)	-	-	(397.5)	-	-	-	-	-	-	(397.5)	-	(397.5)
Adjustment on Cost Incurred on Issue of Debenture as per Section 52(2)(c) of the Companies Act, 2013 (refer note 13)	-	-	(64.9)	-	-	-	-	-	-	(64.9)	-	(64.9)
Adjustment of Premium paid on buy back of debentures as per Section 52(2)(c) of the Companies Act, 2013 (refer note 13)	-	-	(423.8)	-	-	-	-	-	-	(423.8)	-	(423.8)
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)	-	-	(198.0)	-	-	-	-	-	-	(198.0)	-	(198.0)
Inflow from the non-controlling interest	-	-	-	-	-	-	-	-	-	-	260.0	260.0
Balance as at March 31, 2016	**4,141.9**	**1,658.8**	**25,357.0**	**(2,617.2)**	**6,388.8**	**-**	**16,232.2**	**82,538.1**	**1,355.3**	**135,054.9**	**1,239.6**	**136,294.5**

(continued)

* Figures nullified in conversion of ₹ in Million.

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Statement of Changes in Equity for the year ended March 31, 2017

₹ In Million

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	Securities premium	Reserve & Surplus						Other Comprehensive Income-FVTOCI Reserve	Total		
				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	**4,141.9**	**1,658.8**	**25,357.0**	**(2,617.2)**	**6,388.8**	**-**	**-**	**16,232.2**	**82,538.1**	**1,355.3**	**135,054.9**	**1,239.6**	**136,294.5**
Profit for the year	-	-	-	-	-	-	-	-	39,115.2	-	39,115.2	(100.2)	39,015.0
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Re-measurement gains / (losses) on defined benefit plans (net of tax)	-	-	-	-	-	-	-	-	34.0	-	34.0	-	34.0
Fair valuation of investments measured at FVTOCI (net of tax)	-	-	-	-	-	-	-	-	-	50.2	50.2	(17.5)	32.7
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**39,149.2**	**50.2**	**39,199.4**	**(117.7)**	**39,081.7**
Add : Foreign currency Gain/(loss) during the year (including translation)	-	-	-	627.0	-	*-	-	-	-	-	627.0	-	627.0
Less : Amortised in consolidated statement of profit and loss	-	-	-	1,252.0	-	-	-	-	-	-	1,252.0	-	1,252.0
Transfer to General Reserve	-	-	-	-	(5,183.3)	-	-	5,183.3	-	-	-	-	-
Transfer to Debenture Redemption reserve	-	-	-	-	3,556.6	-	-	-	(3,556.6)	-	-	-	-
Transfer from Retained earnings (net)	-	-	-	-	-	-	33.0	-	(33.0)	-	-	-	-
Adjustment on account of acquisition of Non-controlling interest	-	-	-	-	-	-	-	-	(873.5)	-	(873.5)	270.5	(603.0)
Balance as at March 31, 2017	**4,141.9**	**1,658.8**	**25,357.0**	**(738.2)**	**4,762.1**	**-**	**33.0**	**21,415.5**	**117,224.2**	**1,405.5**	**175,259.8**	**1,392.4**	**176,652.2**

* Figures nullified in conversion of ₹ in million

The accompanying notes are 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]

Dipti Shah
[Company Secretary]

Place : Ahmedabad
Date : May 24, 2017

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
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, Kattupali, 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 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 birth 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 million (INR 000,000), 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

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 noncontrolling 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
- 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)

-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.

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 Nylon	1.5 Years
Steel and 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
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	on straight line basis	Over the license period of 20 years
approval for movement of Container Trains		
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

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 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 cashgenerating 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.

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.

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.

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 Undertaking 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 ₹ 7,553.6 million (excluding borrowings of ₹ 1,112.1 million). 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.

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
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 Million)

Particulars	Tangible assets																Total
	Free Hold Land	Leasehold land	Buildings, Roads and Civil Infrastructure	Computer Hardware	Land Development cost on Leasehold	Office Equipments	Plant & Machinery	Furnitures & Fixture	Vehicles	Dredged Channels	Marine Structures	Railway Tracks	Tugs and Boats	Railway Wagons	Aircraft	Project Assets	
Cost																	
As at April 1, 2015 (refer note 47.1 (b))	**6,147.3**	**175.4**	**26,311.2**	**354.0**	**7,486.4**	**311.5**	**42,288.1**	**378.9**	**304.6**	**24,500.4**	**22,223.3**	**8,208.1**	**7,700.2**	**632.3**	**2,849.8**	**9,637.0**	**159,508.5**
Additions on acquisition/merger	-	-	15.0	-	21.3	-	4.4	0.3	-	-	14.0	-	224.3	-	-	-	279.3
Additions	137.3	-	1,900.4	58.7	341.2	97.9	7,517.6	41.7	14.5	1,176.1	0.9	286.8	164.0	535.7	-	393.5	12,666.3
Deductions/Adjustment	(35.3)	-	19.4	(0.2)	(1,237.0)	(9.8)	(301.8)	(0.9)	(8.2)	-	194.6	31.1	-	-	(3.2)	(29.7)	(1,381.0)
Exchange difference	-	-	456.6	7.1	39.6	3.4	1,158.3	-	-	257.1	686.3	94.2	385.7	-	109.7	464.5	3,662.5
As at March 31, 2016	**6,249.3**	**175.4**	**28,702.6**	**419.6**	**6,651.5**	**403.0**	**50,666.6**	**420.0**	**310.9**	**25,933.6**	**23,119.1**	**8,620.2**	**8,474.2**	**1,168.0**	**2,956.3**	**10,465.3**	**174,735.6**
Additions	211.7	612.5	2,536.3	100.0	136.5	386.6	1,529.1	142.3	40.0	5,977.5	614.2	58.3	2,174.6	-	-	446.6	14,966.2
Deductions/Adjustment	(20.5)	-	188.1	(5.2)	-	(1.8)	(11.9)	(1.6)	(19.9)	68.5	(1,389.2)	-	(229.3)	(5.4)	-	(963.1)	(2,391.3)
Exchange difference	-	-	12.0	(4.7)	51.5	6.1	60.1	-	-	187.7	(48.2)	27.0	59.0	2.5	(31.5)	(208.8)	112.7
As at March 31, 2017	**6,440.5**	**787.9**	**31,439.0**	**509.7**	**6,839.5**	**793.9**	**52,243.9**	**560.7**	**331.0**	**32,167.3**	**22,295.9**	**8,705.5**	**10,478.5**	**1,165.1**	**2,924.8**	**9,740.0**	**187,423.2**
Depreciation/amortisation																	
As at April 1, 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	-	5.2	1,942.4	126.9	210.4	95.3	3,815.8	42.2	60.5	574.5	545.1	840.5	455.5	87.0	174.5	1,114.9	10,090.7
Deductions/(Adjustment)	-	-	(0.3)	-	-	(2.0)	(11.6)	(0.3)	(1.0)	-	-	-	-	-	-	(5.9)	(21.1)
As at March 31, 2016	**-**	**5.2**	**1,942.1**	**126.9**	**210.4**	**93.3**	**3,804.2**	**41.9**	**59.5**	**574.5**	**545.1**	**840.5**	**455.5**	**87.0**	**174.5**	**1,109.0**	**10,069.6**
Depreciation for the year	-	19.7	1,948.7	122.7	313.4	231.0	4,043.7	42.8	59.6	707.8	535.1	858.5	1,211.0	104.2	172.5	1,375.3	11,746.0
Deductions/(Adjustment)	-	-	(0.3)	(5.0)	-	(1.4)	(5.8)	(0.8)	(7.3)	-	(0.3)	-	(64.1)	-	-	-	(85.0)
As at March 31, 2017	**-**	**24.0**	**3,890.5**	**244.6**	**523.8**	**322.9**	**7,842.1**	**83.9**	**111.8**	**1,282.3**	**1,079.9**	**1,699.0**	**1,602.4**	**191.2**	**347.0**	**2,484.3**	**21,730.6**
Net Block																	
As at March 31, 2017	6,440.5	763.0	27,548.5	265.1	6,315.7	471.0	44,401.8	476.8	219.2	30,885.0	21,216.0	7,006.5	8,876.1	973.9	2,577.8	7,255.7	165,692.6
As at March 31, 2016	6,249.3	170.2	26,760.5	292.7	6,441.1	309.7	46,862.4	378.1	251.4	25,359.1	22,574.0	7,779.7	8,018.7	1,081.0	2,781.8	9,356.3	164,666.0
As at April 1, 2015	6,147.3	175.4	26,311.2	354.0	7,486.4	311.5	42,288.1	378.9	304.6	24,500.4	22,223.3	8,208.1	7,700.2	632.3	2,849.8	9,637.0	159,508.5

Notes :-

a) Depreciation of ₹ 1,300.3 million (previous Year ₹ 813.4 million) 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 ₹ 125.6 million (Previous Year ₹ 125.6 million).

c) Plant and Equipment includes cost of Water Pipeline amounting to ₹ 66.5 million (Gross) (Previous Year ₹ 66.5 million), accumulated depreciation ₹ 40.7 million (previous Year ₹ 36.7 million) 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 ₹ 1,399.4 million (previous Year ₹ 1,310.4 million) at Samudra Township, Mundra, which are pending to be registered in Company's name. Further an advance of ₹ 81.9 million (previous year ₹ 220.0 million) 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 ₹ 2,022.1 million (previous Year ₹ 2,022.1 million). 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 includes 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 - ₹ 41.1 million (previous year - ₹ 41.1 million and April 01, 2015 - ₹ 41.1 million)
Depreciation for the year: ₹ 2.6 million (previous year - ₹ 2.7 million)
Accumulated Deprecation as at March 31, 2017 - ₹ 5.3 million (previous year - ₹ 2.7 million and April 01, 2015 - NIL)
Net Block as at March 31, 2017 - ₹ 35.8 million (Previous year - ₹ 38.5 million and April 01, 2015 - ₹ 41.1 million)

j) Free hold Land includes Land given on Operating Lease Basis:
Gross Block as at March 31, 2017 - ₹ 70.2 million (previous year - ₹ 66.8 million and April 01, 2015 - ₹ 66.8 million)
Accumulated Depreciation for the year: ₹ 4.3 million (previous year - ₹ 3.7 million and April 01, 2015 ₹ 3.1 million)
Net Block as at March 31, 2017 - ₹ 65.9 million (Previous year - ₹ 63.1 million and April 01, 2015 - ₹ 63.6 million)

k) Plant and machinery includes tanks given on operating lease basis::
Gross Block as at March 31, 2017 - ₹ 87.1 million (previous year - ₹ 87.1 million and April 01, 2015 - ₹ 87.1 million)
Accumulated Depreciation for the year: ₹ 14.6 million (previous year - ₹ 10.5 million and April 01, 2015 ₹ 6.5 million)
Net Block as at March 31, 2017 - ₹ 72.5 million (Previous year - ₹ 76.6 million and April 01, 2015 - ₹ 80.6 million)

l) Leasehold land includes 38 hectare of forest land amounting to ₹ 44.2 million 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 ₹ 9.7 million (previous year ₹ 9.7 million).

n) Plant and Machinery includes electrical installation of ₹ 205.0 million and accumulated depreciation of ₹ 47.6 million (previous year ₹ 205.0 million and accumulated depreciation of ₹ 36.1 million) 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 ₹ 316.5 million (previous year ₹ 127.0 million). 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.

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 ₹ 195.9 million (Previous year ₹ 195.9 million) is capitalized as leasehold land development.

r) Plant and machinery includes construction equipments of Gross value of ₹ 1.0 million (Previous Year ₹ 1.0 million) and accumulated depreciation of ₹ 0.2 million (Previous Year ₹ 0.3 million). Buildings, Roads and Civil Infrastructure includes temporary erection i.e. site office of the value of ₹ 31.4 million (Previous year ₹ 31.4 million) and accumulated depreciation of ₹ 31.4 million (Previous year ₹ 31.4 million), which are mainly used for construction activities.

s) Plant and machinery includes Electrical Installation of ₹ 1,345.0 million (Previous Year ₹ 1,349.8 million) and accumulated depreciation of ₹ 362.3 million (Previous Year ₹ 230.5 million).

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 million)

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))	**212.4**	**312.5**	**16,832.8**	**215.6**	**17,573.3**	**26,468.6**
Additions	70.8	-	106.4	-	177.2	-
Deductions/Adjustment	-	-	991.6	-	991.6	(22.8)
Exchange difference	-	-	72.8	-	72.8	-
As at March 31, 2016	**283.2**	**312.5**	**18,003.6**	**215.6**	**18,814.9**	**26,445.8**
Additions	236.1	-	56.8	-	292.9	258.1
Deductions/Adjustment	-	-	1,322.6	-	1,322.6	-
Exchange difference	(1.5)	-	(51.6)	-	(53.1)	-
As at March 31, 2017	**517.8**	**312.5**	**19,331.4**	**215.6**	**20,377.3**	**26,703.9**
Depreciation/amortisation						
As at April 1, 2015						
Depreciation for the year	74.0	25.0	984.0	11.5	1,094.5	-
As at March 31, 2016	**74.0**	**25.0**	**984.0**	**11.5**	**1,094.5**	**-**
Depreciation for the year	82.0	25.0	1,037.7	11.5	1,156.2	-
Deductions/Adjustment	-	-	(11.9)	-	(11.9)	-
As at March 31, 2017	**156.0**	**50.0**	**2,009.8**	**23.0**	**2,238.8**	**-**
Net Block						
As at March 31, 2017	361.8	262.5	17,321.6	192.6	18,138.5	26,703.9
As at March 31, 2016	209.2	287.5	17,019.6	204.1	17,720.4	26,445.8
As at April 1, 2015	212.4	312.5	16,832.8	215.6	17,573.3	26,468.6

Note 3(c) Capital Work in Progress

(₹ in million)

Particulars	Amount
As at March 31, 2017	45,139.7
As at March 31, 2016	19,667.6
As at April 1, 2015	10,869.3

refer note 36 for break up of cost of significant component in Capital Work in Progress

4 Non Current Investments	**March 31, 2017 ₹ In Million**	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million
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.	**2000.0**	1881.5	1670.5
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.	**242.5**	329.2	311.9
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	**9.4**	8.8	-
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	**2,251.9**	2,219.5	1,982.4
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)	**271.3**	365.4	312.9
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	**-**	1500.0	-
In Government Securities (valued at amortised cost)			
National Savings Certificates (Lodged with Government Department) & others	**0.1**	0.1	0.1
	2523.3	4085.0	2295.4

* Figures being nullified on conversion to ₹ in million.

Notes:

a) Aggregate cost of unquoted investments as at March 31, 2017 ₹ 2,523.3 million (previous year - ₹ 4,085.0 million and April 01, 2015 ₹ 2,295.4 million).

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

	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million
Opening Balance	**2,219.5**	1,982.4
Add : Investment made during the year	**-**	5.5
Fair value Gain/(Loss) recognised in Other comprehensive income	**32.4**	231.6
Closing Balance	**2,251.9**	2,219.5

d) Investment in equity shares of jointly controlled entity Adani CMA Mundra Terminal Private Limited ("ACMPTL") include deemed investment of ₹ 44.8 million (previous year ₹ 44.8 million 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.

5 Trade Receivables (Unsecured, unless otherwise stated)

	Non-current portion			**Current portion**		
	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million	**March 31, 2017 ₹ In Million**	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million
Trade Receivables						
Considered good	**136.3**	220.0	827.2	**16751.2**	12004.8	12435.5
Considered doubtful	**-**	-	-	**250.6**	209.3	78.6
Receivable from related parties (unsecured considered good) (refer note 32)	**-**	-	3561.4	**10178.7**	12356.1	5223.2
	136.3	**220.0**	**4388.6**	**27180.5**	24570.2	17737.3
Less : Allowances for Doubtful debts	**-**	-	-	**(250.6)**	(209.3)	(78.6)
	136.3	**220.0**	**4388.6**	**26929.9**	24360.9	17658.7
Other Trade Receivables	**136.3**	220.0	4388.6	**19647.6**	19365.8	13162.0
Customer Bill Discounted	**-**	-	-	**7282.3**	4995.1	4496.7
Total Trade Receivables	**136.3**	220.0	4388.6	**26929.9**	24360.9	17658.7

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 ₹ 79.1 million (previous year ₹ 160.9 million and April 01, 2015 ₹ 355.2 million) 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.

	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million
Total transferred receivables	**7,282.3**	4,995.1	4,496.7
Associated unsecured borrowing (refer note 17)	**7,282.3**	4,995.1	4,496.7

6 Loans (Unsecured unless otherwise stated)

	Non-current portion			**Current portion**		
	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million	**March 31, 2017 ₹ In Million**	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million
Loans and Advance to jointly controlled entities						
Considered Good (also refer note 32)	**7,593.2**	-	-	**343.2**	-	840.0
Loans and Advance to Other Related Parties	**-**	-	-	**-**	-	-
Considered Good (also refer note 32)	**-**	13,545.1	-	**4.0**	11,696.0	21,340.0
Loans to others (refer note below)	**-**	-	-	**-**	-	-
Considered Good	**-**	15,594.3	511.4	**17,479.0**	3,982.5	12,731.6
	-	-	-	**-**	-	-
	7,593.2	29,139.4	511.4	**17,826.2**	15,678.5	34,911.6

Note :
The Group has granted interest bearing loans in the nature of inter-corporate loans and deposits aggregating ₹ Nil (previous year ₹ 22,002.5 million and April 01,2015 ₹ 21,337.3 million) (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 ₹ 13,451.4 million (previous year ₹ 12,173.7 million and April 01, 2015 ₹ 12,613.5 million) (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

	Non-current portion			**Current portion**		
	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million	**March 31, 2017 ₹ In Million**	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million
Security deposits (unsecured, considered good) (refer note 32)	**1,771.4**	12,151.8	2,854.9	**3,728.0**	1,102.7	254.6
Loans and Advances to Employees	**24.2**	21.1	18.5	**32.5**	25.1	23.7
Advance against Equity Investment (refer note 31)	-	3,020.0	-	-	-	-
Land Lease Receivable (refer note 20 (c))	**5,925.2**	4,722.0	1,989.6	**28.7**	25.9	22.1
Bank Deposit with original maturity of more than twelve months and margin money deposits (refer note 11)	**503.2**	1,329.7	263.8	-	-	-
Interest Accrued (refer note 32)	**31.5**	18.1	705.6	**4,220.9**	3,572.2	2,142.6
Non Trade receivable	**-**	-	27.6	**92.1**	130.7	314.8
Receivables against sale of investment (refer note 38(v))	-	-	-	**851.3**	875.4	816.2
Derivatives not designated as Hedges / Forward Contracts Receivable	**65.0**	-	-	**996.6**	255.6	-
Financial Guarantee Received	**87.4**	131.0	172.2	-	-	-
Others	**-**	-	-	**92.1**	11.8	32.3
Gratuity Assets (refer note 29)	-	-	-	**24.0**	0.2	3.8
	8,407.9	21,393.7	6,032.2	**10,066.2**	5,999.6	3,610.1

8 Other Assets

	Non-current portion			**Current portion**		
	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million	**March 31, 2017 ₹ In Million**	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million
Capital advances (refer note 32)						
Secured, considered good	**33.5**	1,512.1	833.6	-	-	-
Unsecured, considered good	**8,314.6**	6,415.2	2,499.8	-	-	-
Unsecured, doubtful	**105.9**	57.4	-	-	-	-
	8,454.0	**7,984.7**	**3,333.4**	-	-	-
Less: Allowances for doubtful advances	**(105.9)**	(57.4)	-	-	-	-
	8,348.1	7,927.3	3,333.4	-	-	-
Balance with Government Authorities	**2,106.7**	1,267.9	1,009.8	**1,657.0**	1,686.3	1,372.1
Prepaid Expenses	**656.6**	738.8	834.2	**933.8**	110.0	92.4
Deposits given (unsecured, considered good)	**1,150.5**	-	-	-	-	-
Accrued Income	-	-	-	**2,409.5**	2,369.3	3,053.5
Advances recoverable in cash or in kind or for value to be received (refer note 32)	**251.9**	331.2	47.5	**4,811.5**	4,125.7	997.3
Project work in progress (refer note 9)	**9,351.7**	6,827.5	1,230.6	-	-	-
Other Assets (also refer note 2.3 (f))	-	-	-	**4,510.9**	-	-
Taxes recoverable (net of provision) (refer note 26)	**660.1**	804.3	806.4	-	-	-
	22,525.6	17,897.0	7,261.9	**14,322.7**	8,291.3	5,515.3

Notes:

a) Capital advance includes ₹ 823.3 million (previous year ₹ 742.8 million and April 01, 2015 ₹ 659.5 million) paid to various parties and government authorities towards purchase of land.

b) The Group has received bank guarantees of ₹ 33.5 million (previous year ₹ 1512.1 million and April 01, 2015 ₹ 833.6 million) against capital advances.

9 Inventories (At lower of cost and Net realisable value)

	Non-current portion			Current portion		
	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million	**March 31, 2017 ₹ In Million**	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million
Stores and Spares, Fuel and Lubricants	-	-	-	**2,680.9**	2,118.9	2,568.5
Project work in progress (refer note 42 (b) and (c))	**9,351.7**	6,827.5	1,230.6	**3,890.0**	-	-
	9,351.7	6,827.5	1,230.6	**6,570.9**	2,118.9	2,568.5
	-	-	-	-	-	-
Amount disclosed under non-current assets (refer note 8)	**(9,351.7)**	(6,827.5)	(1,230.6)	-	-	-
	-	-	-	**6,570.9**	2,118.9	2,568.5

10 Current Investments

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	-	100.0	-
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	**3.8**	1,066.1	-
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	-	150.0	-
NIL (previous year 23,812.968 units and April 01,2015 NIL) of ₹ 10 each in Reliance Liquid Fund Treasury Plan Direct growth Plan	-	50.0	-
NIL (previous year 355.93 units and April 01, 2015 Nil) of ₹ 10 each in Reliance Money Manager Fund - Direct growth plan	-	0.7	-
NIL (previous year NIL and April 01, 2015 - 23,812.968 units) of ₹ 10 each in Reliance Liquid Fund Treasury Plan Direct growth Plan	-	-	200.2
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	-	-	100.0
NIL (previous year NIL and April 01,2015-12,79,728.144 units) of ₹ 10 each in ICICI Prudential Liquid Direct Plan-Daily Dividend	-	-	128.0
NIL (previous year NIL and April 01, 2015 -49,998.666 units) of ₹10 each in Pramerica Liquid Fund Direct Plan - Daily Dividend - Reinvest	-	-	50.0
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	-	-	1,500.6
NIL (previous year NIL and April 01,2015 -16,94,771.63 units) of ₹ 10 each in Sundaram Money Fund Direct Plan-Growth	-	-	50.0
2,50,000 (previous year NIL units and April 01,2015 NIL) of ₹ 10 each in HDFC Mutual Fund	**2.5**	-	-
34,465.76units (previous year NIL units and April 01,2015 NIL) of ₹ 10 each in SBI Premier Liquid Fund - Direct Plan - Growth	**88.0**	-	-
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	**51.1**	-	-
Investment in Commercial Papers (CP) (Valued at Amortised Cost)			
Commercial Papers of ECAP Equities Limited	**4658.4**	-	-
Commercial Papers of L &T Finance Limited	**2516.5**	-	-
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 J M Financial Products Limited	**1,770.0**	-	-
	9090.3	1366.8	2028.8
Aggregate carrying value of unquoted Mutual Funds	**145.4**	1,366.8	2,028.8
Aggregate net assets value of unquoted Mutual Funds	**145.4**	1,366.8	2,028.8
Aggregate carrying value of unquoted investment in Commercial Papers and Debentures	**8944.9**	-	-

Note:- Investments in commercial papers of ECAP Equities Limited and L&T Finance Limited and debentures of J M Financial Products Limited are A1+ and AA/Stable rated instruments, respectively.

11 Cash and bank balance

	Non-current portion			Current portion		
	March 31, 2017	March 31, 2016	April 01, 2015	**March 31, 2017**	March 31, 2016	April 01, 2015
	₹ In Million	₹ In Million	₹ In Million	**₹ In Million**	₹ In Million	₹ In Million
Cash and cash equivalents						
Balance in current account	**-**	-	-	**9,150.5**	5,851.3	1,294.0
Deposits with original maturity of less than three months	**-**	-	-	**351.2**	1,063.1	3,146.6
	-	-	-	**8.2**	15.0	10.4
In Current Account (earmarked for Unpaid Dividend) /share application Refund						
Cheque on hand	**-**	-	-	**-**	1,500.0	-
Cash on hand	**-**	-	-	**0.4**	0.6	1.3
	-	-	-	**9,510.3**	8,430.0	4,452.3

Other bank balances

Bank Deposit with original maturity of more than 12 months	**-**	1,069.4	260.9	**-**	-	-
Deposits with original maturity over 3 months but less than 12 months	**-**	-	-	**10,150.7**	4,060.1	728.2
Margin Money deposits	**503.2**	260.3	2.9	**107.0**	292.3	754.7
	503.2	1,329.7	263.8	**10,257.7**	4,352.4	1,482.9
	-	-	-	-	-	-
Amount disclosed under Non- Current Financial Assets (refer note 7)	**(503.2)**	(1,329.7)	(263.8)	**-**	-	-
	-	-	-	**10,257.7**	4,352.4	1,482.9

Note: Margin Money and Fixed Deposit includes ₹ 610.2 million (previous year ₹ 552.6 million and April 01, 2015 ₹ 757.6 million) pledged / lien against bank guarantees, letter of credit and other credit facilities.

12 Equity share capital

	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million
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	**9950.0**	9950.0	9950.0
	9950.0	9950.0	9950.0
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.	**4141.9**	4141.9	4140.1
Total issued, subscribed and fully paid-up share capital	**4141.9**	4141.9	4140.1

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 Million**	No.	₹ In Million
At the beginning of the year	**2,070,951,761**	**4,011.9**	2,070,051,620	4,010.1
Add- Issued during the year (refer note 44 (b))	**-**	**-**	1,553,261,781	3,106.5
Less- Cancelled during the year (refer note 44(b))	**-**	**-**	(1,552,361,640)	(3,104.7)
Outstanding at the end of the year	**2,070,951,761**	**4,011.9**	2,070,951,761	4,011.9

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

	March 31, 2017		March 31, 2016	
	No.	**₹ In Million**	No.	₹ In Million
At the beginning of the year	**2,811,037**	1658.8	2,811,037	1658.8
Outstanding at the end of the year	**2,811,037**	**1,658.8**	**2,811,037**	**1,658.8**

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 ₹ 2782.9 million (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.

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)	**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

	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million
Equity Component of convertible preference share		
Opening Balance	**1658.8**	1658.8
Closing Balance	**1658.8**	1658.8
Equity Securities Premium		
Opening Balance	**25,357.0**	26,441.2
Bond issue expense (refer note below)	**-**	(397.5)
Premium paid on buy back of debentures (refer note below)	**-**	(423.8)
Cost Incurred on issue of Debenture ((refer note below)	**-**	(64.9)
Difference between Issue price and face value of bond (refer note below)	**-**	(198.0)
Closing Balance	**25,357.0**	25,357.0

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 ₹ 595.5 million 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 ₹ 488.7 million in terms of section 52(2)(c) of the Companies Act, 2013 towards premium on early redemption of debentures and towards debenture issue expenses.

General Reserve		
Opening Balance	**16,232.2**	13,205.4
Add- Transfer from Debenture Redemption Reserve	**5,183.3**	2,758.8
Add- Excess of net assets taken over under scheme of arrangement (refer note 44(b))	**-**	268.0
Closing Balance	**21,415.5**	16,232.2
	-	-
Debenture Redemption Reserve	-	-
Opening Balance	**6,388.8**	3,993.8
Add: transferred from surplus balance in the statement of profit	**3,556.6**	5,153.8
Less: transferred to General Reserve	**(5,183.3)**	(2,758.8)
Closing Balance	**4,762.1**	6,388.8

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	**33.0**	-
Closing Balance	**33.0**	-
Foreign Currency Monetary Item Translation Difference Account	-	-
Opening Balance	**(2,617.2)**	(2,027.0)
Add : foreign currency (Loss) during the year	**627.0**	(1,608.4)
Less : amortised in statement of profit and loss	**1,252.0**	1,018.2
Closing Balance	**(738.2)**	(2,617.2)

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	**82,538.1**	64,224.9
Add : Profit for the year	**39,115.2**	28,971.6
Less : Dividend paid	**-**	(4,555.1)
Less : Dividend distribution tax paid	**-**	(927.4)
Less :Transfer to Debenture Redemption reserve	**(3,556.6)**	(5,153.8)
Less :Transfer to Tonnage Tax Reserve	**(33.0)**	-
Less :Minority Loss on Acquisition	**(873.5)**	-
Add / (Less) : Remeasurement gains / (losses) on defined benefit plans (net of tax)	**34.0**	(22.1)
Closing Balance	**117,224.2**	82,538.1
Other Comprehensive Income	-	-
Opening Balance	**1,355.3**	1,167.6
Add : Change in fair value of FVTOCI Equity instruments (net of tax)	**50.2**	187.7
Closing Balance	**1,405.5**	1,355.3
Total Other Equity	**171,117.9**	**130,913.0**

Distribution made and proposed	**March 31, 2017 ₹ In Million**	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million
Cash Dividend on equity share declared and paid			
a) Interim Dividend for the year ended March 31, 2016 (₹ 1.10 per share)	-	2,278.0	-
Dividend Distribution Tax	-	463.8	-
b) Final Dividend for the year ended March 31, 2015 (₹ 1.10 per share)	-	2,277.1	-
Dividend Distribution Tax	-	463.6	-
c) Final Dividend for the year ended March 31, 2014 (₹ 1.00 per share)	-	-	2,136.7

Dividend Distribution Tax	-	-	363.1
	-	5,482.5	2,499.8
Proposed Dividend on Equity Shares	-	-	-
a) Final Dividend for the year ended March 31,2017 (₹ 1.30 per share)	**2,692.2**	-	-
Dividend Distribution Tax	**548.1**	-	-
b) Final Dividend for the year ended March 31,2015 (₹ 1.10 per share)	**-**	-	2,277.1
Dividend Distribution Tax	**-**	-	463.6
	3,240.3	-	2,740.7
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 million

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as liability (including dividend distribution tax thereon)

14 Long Term Borrowings

	Non-current portion			Current portion		
	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million	**March 31, 2017 ₹ In Million**	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million
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)	**2,511.9**	-	-	-	-	-
10,000 (previous year NIL and April 01, 2015 -NIL) 8.22% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured. (Redeemable ₹ 3,333.0 million on March 07, 2025, ₹ 3,333.0 million on March 07, 2026 and ₹ 3,334.0 million on March 08, 2027)	**10,000.0**	-	-	-	-	-
13,000 (previous year NIL and April 01, 2015 - NIL) 8.24% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured. (Redeemable ₹ 4,333.0 million on November 29, 2024, ₹ 4,3330 million on November 29, 2025 and ₹ 4,334.0 million on November 27, 2026)	**13,000.0**	-	-	-	-	-
2,000 (previous year NIL and April 01, 2015 - NIL) 9.35% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured. (Redeemable ₹ 1,000.0 million on May 26, 2023 and ₹ 1,000.0 million on May 27, 2026)	**1,977.9**	-	-	-	-	-
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 ₹ 4,950.0 million has been redeemed before maturity.	**4,940.0**	4,940.0	9,802.8	-	-	-
9,000 (previous year 9,000 and April 01, 2015 NIL) 9.05% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Redeemable ₹ 7,500.0 million on April 18, 2019 and ₹ 1,500.0 million on May 22, 2019)	**9,000.0**	9,000.0	-	**-**	-	-
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)	**4,966.6**	-	-	-	-	-
5,000 (previous year NIL and April 01, 2015 - NIL) 9.05% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured. (Redeemable ₹ 2,500.0 million on June 18, 2018 and ₹ 2,500.0 million on September 18, 2018)	**4,988.7**	-	-	-	-	-
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, ₹ 2,889.0 million has been redeemed before maturity.	**-**	5,000.0	-	**2,111.0**	-	-

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 ₹ 594.0 million has been redeemed before maturity (previous year ₹ 200.0 million)	**-**	1,694.9	5,091.9	**1,106.0**	3,200.0	-
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).	**-**	-	5,000.0	**-**	5,000.0	-
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 ₹ 4,000.0 million on June 18, 2016).	**-**	-	4,000.0	**-**	4,000.0	6,000.0
NIL (previous year 2,000 and April 01, 2015 - 5,000) 10.05% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Redeemable at 1 instalment of ₹ 2,000.0 million payable on June 15, 2016.	**-**	-	1,996.4	**-**	2,000.0	3,000.0
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).	**486.8**	936.4	5,701.2	**450.0**	550.0	640.0
	-	-	-	**-**	-	-
Preference share	**-**	-	-	**-**	-	-
Liability Component of Compound Financial Instrument - 0.01% Redeemable Preference Shares (unsecured) (refer note 12(c))	**841.2**	771.7	708.0	**-**	-	-
Term loans	-	-	-	**-**	-	-
Foreign currency loans:	-	-	-	**-**	-	-
From banks (secured)	**14,114.6**	67,195.6	62,617.7	**3,234.8**	5,872.7	9,494.7
From banks (unsecured)	**20,109.0**	19,640.6	147.5	**2,297.5**	3,354.5	36.9
From Other financial institutions (secured)	**285.6**	431.8	2,327.3	**135.6**	130.5	490.1
3.50% Foreign Currency Bond priced at 195 basis points over the 5 years US Treasury Note (unsecured)	**42,152.5**	43,065.8	-	**-**	-	-
3.95% Foreign Currency Bond priced at 189 basis points over the 5 years US Treasury Note (unsecured)	**32,075.6**	-	-	**-**	-	-
Rupee loans:	**-**	-	-	**-**	-	-
From banks (secured)	**4,588.1**	5,425.7	24,543.3	**248.1**	183.7	1,693.9
From Other financial institutions (secured)	**-**	-	11,250.0	**-**	-	-
From others (unsecured)	**41.4**	48.4	33.3	**-**	-	-
Suppliers bills accepted under foreign currency letters of credit	-	-	-	**-**	-	-
From banks (secured)	**5,545.1**	-	-	**6.0**	2,105.7	1,716.0
From banks (unsecured)	**8,307.4**	45.8	-	**-**	2,488.3	158.0
	-	-	-	**-**	-	-
	179,932.4	158,196.7	133,219.4	**9,589.0**	28,885.4	23,229.6
	-	-	-	**-**	-	-
The above amount includes	-	-	-	-	-	-
Secured borrowings	**76,405.3**	94,624.4	132,330.6	**7,291.5**	23,042.6	23,034.7
Unsecured borrowings	**103,527.1**	63,572.3	888.8	**2,297.5**	5,842.8	194.9
Amount disclosed under the head Current Financial Liabilities (refer note 15)	**-**	-	-	**(9,589.0)**	(28,885.4)	(23,229.6)
	179,932.4	158,196.7	133,219.4	**-**	-	-

Notes:

a.) Debentures include Secured Non-Convertible Redeemable Debentures amounting to ₹ 2,4101.5 million (previous year ₹ 2,5834.9 million and April 01, 2015 ₹ 19891.0 million) 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 ₹ 936.8 million (previous year ₹ 1486.4 million and April 01, 2015 ₹ 6341.3 million) 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 ₹ 4000.0 million and April 01, 2015 ₹ 10,000.0 million) 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 ₹ 5000.0 million and April 01, 2015 ₹ 5,000.0 million) 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 ₹ 1,7500.6 million (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 ₹ 1,3000.0 million (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 ₹ 1683.8 million (previous year ₹ 2333.7 million and April 01, 2015 ₹ 2558.4 million) 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 ₹ 153.1 million 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 (previous year ₹ 164.0 million and April 01, 2015 ₹ 304.5 million) 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 ₹ 751.3 million (previous year ₹ 981.4 million and April 01, 2015 ₹ 1,020.7 million) carries interest @ 6 months Euribor plus 75 basis point. The loan is repayable in 10 semi annually equal instalments of approx. ₹ 75.1 million 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 ₹ 1,8738.6 million) 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 ₹ 2749.5 million) 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 ₹ 1,8504.2 million) 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 ₹ 932.5 million and April 01, 2015 ₹ 944.9 million) 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 ₹ 1,306.2 million and April 01, 2015 ₹ 3,440.0 million) carries interest @ 3 to 6 months Libor plus 310 basis point and 6 months 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 ₹ 3,886.4 million and April 01, 2015 ₹ 5,544.6 million) 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 ₹ 8,782.2 million (previous year ₹ 1,0011.7 million and April 01, 2015 NIL) carries interest at 6 month libor plus 180 basis point. The Loan is repayable in 3 annual instalment of ₹ 2,066.4 million and an instalment of ₹ 2,582.9 million 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 ₹ 1,020.0 million) 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 ₹ 4,489.3 million) 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 ₹ 2,000.0 million) 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 ₹ 5,551.1 million(previous year ₹ 826.5 million and April 01, 2015 ₹ 1,215.9 million) 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 ₹ 1,215.9 million and ₹ 826.5 million repaid on maturity the year 2015-16 and 2016-17 respectively and ₹ 5551.1 million 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 ₹ 4,2152.5 million (previous year ₹ 4,3065.8 million 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 ₹ 3,2075.6 million (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 ₹ 9938.3.million 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 ₹ 2269.8 million (previous year ₹ 2318.9 million 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 ₹ 10346.8 million (previous year ₹ 1,0571.0 million 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 ₹ 123.1 million (previous year ₹ 166.9 million and April 01, 2015 ₹ 184.4 million) carry interest at 2.12 % p.a. The outstanding loan amount is repayable in 6 semi- annual equal instalment of ₹ 20.5 million from the balance sheet date.

(vii) Suppliers bills accepted under foreign currency letters of credit aggregating to ₹ 314.7 million (previous year ₹ 145.5 million 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 ₹ 145.5 million repaid on maturity in the year 2016-17 and ₹ 314.7 million payable on maturity from 2017-18 to 2019-20.

(viii) Foreign currency loan aggregating to ₹ 4,834.5 million (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 ₹ 1,289.2 million, ₹ 1,611.5 million and ₹ 1,933.8 million from the balance sheet date.

(ix) Foreign currency loan aggregating to ₹ 4,832.3 million (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.

u) **Term loan taken by the subsidiaries includes:**

i) Loans from bank including foreign currency term loan amounting of ₹ 1,567.9 million (previous year ₹ 1,978.8 million and April 01, 2015 ₹ 2,188.0 million), rupee term loan of Nil (previous year Nil and April 01, 2015 ₹ 3,736.8 million) 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 ₹ 47.3 million (previous year ₹ 51.5 million and April 01, 2015 ₹ 51.6 million). 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 ₹ 254.4 million (previous year ₹ 915.2 million and April 01, 2015 ₹ 1,351.8 million) 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 ₹ 11.0 million (previous year ₹ 12.0 million and April 01, 2015 ₹ 10.7 million) 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 ₹ 421.2 million (previous year ₹ 562.3 million and April 01, 2015 ₹ 750.0 million) 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 ₹ 1130.1 million (previous year ₹ 1180,0 million and April 01, 2015 ₹ 1236.1 million) 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 (previous year ₹ 21,182.5 million and April 01, 2015 ₹ 15,705.1 million) and rupee term loans amounting to Nil (previous year Nil and April 01, 2015 ₹ 912.0 million) and. Foreign currency loan carries interest on 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 ₹ 2,551.5 million (previous year ₹ 1,697.5 million 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 ₹ 1,542.6 million). 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.

vi) Suppliers bills accepted under foreign currency letters of credit of Adani Vizag Coal Terminal Private Limited aggregating of ₹ 515.8 million (previous year ₹ 486.4 million and April 01, 2015 Rs. 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 ₹ 74.8 million and April 01, 2015 ₹ 500.1 million) 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 Rs. Nil and April 01, 2015 ₹ 1620.4 million) 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 ₹ 4833.2 million (previous year ₹ 5,605.4 million and April 01, 2015 ₹ 10904.4 million) payable in 24 quarterly instalments starting from June 2016 to March 2022 carries interest @ 9.25%.

Secured foreign currency loans from banks amounting to ₹ 3,179.6 million (previous year ₹ 28,139.8 million 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 Rs. Nil (previous year ₹ Nil and April 01, 2015 ₹ 11,250.0 million). 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 ₹ 1,512.0 million (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 ₹ 101.2 million (previous year ₹ 107.4 million and April 01, 2015 ₹ 95.7 million). 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 Rs. 3,253.9 million (previous year Rs. 33.8 million 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 Rs. Nil (previous year Rs. 1,204.4 million and April 01, 2015 Rs. 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 Rs. 3.0 million (previous year Rs. 4.0 million and April 01, 2015 Rs. 1.0 million) 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 Rs 37.2 million (previous year Rs. Rs. 44.5 million and April 01, 2015 Rs. 33.6 million) 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.

15 Other financial liabilities

	Non-current portion			Current portion		
	March 31, 2017 ₹ **In Million**	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million	**March 31, 2017** ₹ **In Million**	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million
Current maturities of long term borrowings (refer note 14)	**-**	-	-	**9,589.0**	28,885.4	23,229.6
Outstanding Derivatives	**559.6**	682.7	2,883.8	**538.5**	133.8	1,257.5
Capital creditors, retention money and other payable ((Includes outstanding due to MSME creditors ₹ 2.0 million previous year ₹1.0 million and April 01, 2015 ₹ 0.7 million)) (refer note 48)	**53.5**	3.7	-	**7,144.4**	4,188.7	2,957.2
Obligations under lease land (refer Note(ii) below)	**69.9**	70.0	70.1	**0.1**	0.1	0.1
Unpaid Dividend #	**-**	-	-	**8.2**	15.0	10.4
Interest accrued but not due on borrowings	**67.6**	-	-	**2,592.1**	992.9	1,174.4
Deposit from Customer (refer note 32)	**54.4**	35.8	40.7	**104.3**	462.2	115.8
Share application money refundable	**-**	-	-	**-**	-	1.4
Financial Guarantees	**125.3**	201.3	245.9	**-**	-	-
	930.3	993.5	3,240.5	**19,976.6**	34,678.1	28,746.4

Not due for credit to "Investors Education & Protection Fund"

(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 ₹ 5.9 million (previous year ₹ 5.9 million) 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 Million

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	5.9	29.9	92.0	**127.8**	(57.8)	**70.0**
Finance charge allocated to future periods	5.8	22.4	29.6	**57.8**	-	-
Present Value of MLP	0.1	7.5	62.4	**70.0**	-	**70.0**
March 31, 2016						
Minimum Lease Payments	5.9	27.2	100.5	**133.6**	**(63.5)**	**70.1**
Finance charge allocated to future periods	5.8	22.7	35.0	**63.5**	-	-
Present Value of MLP	0.1	4.5	65.5	**70.1**	-	**70.1**
April 01, 2015						
Minimum Lease Payments	5.9	26.1	107.5	**139.5**	**(69.3)**	**70.2**
Finance charge allocated to future periods	5.8	23.0	40.5	**69.3**	-	-
Present Value of MLP	0.1	3.1	67.0	**70.2**	-	**70.2**

16 Others Liabilities

	Non-current portion			Current portion		
	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million	**March 31, 2017 ₹ In Million**	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million
Advance from customers	**105.1**	139.3	173.2	**3,128.7**	1,113.2	1,540.9
Deposit from customers	**-**	-	356.5	**155.4**	448.5	330.6
Statutory liability	**-**	-	-	**615.3**	376.1	370.3
Unearned Income under long term land lease/ Infrastructure usage agreements	**6,872.3**	7,639.0	8,347.9	**503.9**	402.7	423.9
Deferred Income on fair valuation of Deposit taken	**14.8**	15.8	16.8	**-**	-	-
Deferred Government Grant (refer note (ii) below)	**3,517.4**	1,550.4	1,498.5	**93.6**	94.5	3.5
Unearned revenue	**-**	-	-	**715.9**	572.5	434.5
	10,509.6	9,344.5	10,392.9	**5,212.8**	3,007.5	3,103.7

(i) For dues to related parties refer note 32

(ii) Movement in Government Grant

	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million
Opening Balance	**1,644.9**	1,502.0
Add : Addition during the year	**2,048.3**	220.6
Less: Amortisation during the year	**(82.2)**	(77.7)
Closing Balance	**3,611.0**	1,644.9

17 Short term Borrowings

	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million
Short term borrowings from banks under suppliers credit (Secured)	**24.7**	159.1	1555.5
Short term borrowings from banks under suppliers credit (unsecured)	**0.0**	22.5	0.0
Commercial paper (Unsecured)	**25314.2**	31156.5	11331.3
	25338.9	31338.1	12886.8
Borrowing Bills Discounted (Unsecured) (refer note 5)	**7282.3**	4995.1	4496.7
	32621.2	36333.2	17383.5

Notes:

a) Suppliers bills accepted under foreign currency letters of credit aggregating to NIL (previous year NIL and April 01, 2015 ₹ 1198.5 million) 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 ₹ 350.3 million) 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 ₹ 24.7 million (previous year ₹ 22.5 million 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 ₹ 22.5 million 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 ₹ 25,314.2 million (previous year ₹ 31,156.5 million and April 01, 2015 ₹ 11,331.3 million) carries interest rate in range of 6.75 % to 10 % p.a. The CP has maturity period of 1 to 9 months period.

f) Factored receivables of ₹ 7,282,3 million (previous year ₹ 4,995.1 million and April 01, 2015 ₹ 4,496.7 million) 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..

18 Trade and other payables

	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million
Payables to micro, small and medium enterprises (refer note 48)	**3.6**	2.9	3.0
Other trade payables	**4,933.6**	4,030.0	3,553.8
	4,937.2	4,032.9	3,556.8
Dues to related parties included in above (refer note 32)	**577.6**	412.7	143.6

19 Provisions

	Non-current portion			Current portion		
	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million	**March 31, 2017 ₹ In Million**	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million
Provision for Employee Benefits						
Provision for gratuity (refer note 29)	**39.1**	15.0	9.3	**6.4**	94.8	42.8
Provision for compensated absences	**71.0**	33.0	30.7	**561.2**	157.2	116.5
	110.1	48.0	40.0	**567.6**	252.0	159.3
Other Provisions	**0.0**	0.0	0.0	**0.0**	0.0	0.0
Provision for operational claims (Refer Note (a) below)	**0.0**	0.0	0.0	**304.6**	358.0	246.1
	110.1	48.0	40.0	**872.2**	610.0	405.4

Note (a):

	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million
Opening Balance	**358.00**	246.1
Add : Additions during the year	**63.4**	171.1
Less :Utilized / (Settled) during the year	**(116.80)**	(59.20)
Closing Balance	**304.60**	**358.00**

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

	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million
Income from Port Operations (Including Port Infrastructure Services and export incentives) (refer note (b) below)	**74,092.5**	55,884.5
Land Lease, Upfront Premium and Deferred Infrastructure Income (refer note (a, c, d) below)	**3,136.5**	8,238.6
Utilities Services	**494.6**	485.0
Aircraft Operations	**121.2**	146.9
Logistics Services	**6,428.7**	6,270.0
Other operating income including construction, Infrastructure development support services and related income	**120.0**	61.5
	84,393.5	71,086.5

Notes:

a) Includes annual income of ₹ 437.7 million (previous Year ₹ 173.6 million) in respect of land finance lease transaction.

b) (i) Operating Income for the year ended March 31, 2017 includes income of ₹ 1,927.0 million 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.
(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 and ₹ 4,248 per Sq mtr for use of common infrastructure by the parties. Such one-time income of upfront premium is non-refundable. Income of ₹ 2,674.5 million (previous year ₹ 7,771.4 million) including upfront premium of ₹ 1,934.6 million (previous year ₹ 7,245.4 million) 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 Million

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	366.2	329.0	328.3	275.9	188.4	142.8
After one year but not later than five years	1,711.5	1,273.1	1,440.1	1,001.7	821.6	520.3
More than five years	16,833.2	4,351.8	14,583.1	3,470.3	5,083.6	1,348.6
Total minimum lease receivables	**18,910.9**	**5,953.9**	**16,351.5**	**4,747.9**	**6,093.6**	**2,011.7**
Less: Amounts representing finance charges	(12,957.0)	-	(11,603.6)	-	(4,081.9)	-
Present value of minimum lease receivables	**5,953.9**	**5,953.9**	**4,747.9**	**4,747.9**	**2,011.7**	**2,011.7**

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:

Particulars	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million
For a period not later than one year	**468.4**	445.7	450.5
For a period later than one year and not later than five years	**950.8**	1,140.2	1,404.7
For a period later than five years	**2,873.5**	1,768.6	1,950.0
	4,292.7	3,354.5	3,805.2

21 Other Income

	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million
Interest income on		
Bank Deposits, Inter Corporate Deposits etc.	**8,201.5**	5,721.6
Customer dues	**472.3**	590.4
Dividend income on	**-**	-
Current Investments	**-**	8.8
Long-term Investments	**22.0**	10.0
Profit on Sale of Current Investments (Mutual Funds)	**373.4**	300.5
Profit on Sale of Non Current Investment	**29.9**	-
Scrap sales	**79.3**	64.7
Unclaimed liabilities / excess provision written back	**67.8**	138.5
Financial Guarantee	**88.2**	121.3
Government Grant	**82.2**	77.7
Miscellaneous Contractual Income (Including equipment hire charges)	**560.6**	123.5
Miscellaneous income	**423.9**	169.7
	10,401.1	7,326.7

22 Operating Expenses

	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million
Cargo handling / other charges to contractors (net of reimbursement)	**7,250.1**	4,955.5
Purchase of Traded Goods	**1,110.2**	1,053.2
Customer Claims	**63.4**	162.3
Port Management Fees	**991.4**	637.5
Railway's Service Charges (Net)	**4,174.7**	2,740.2
Tug and Pilotage Charges	**528.3**	551.0
Maintenance Dredging	**298.4**	315.5
Repairs to Plant & Machinery	**268.7**	1,209.6
Stores, Spares and Consumables (net of reimbursement)	**1,234.4**	1,299.4
Repairs to Buildings	**105.7**	154.1
Power & Fuel (net of reimbursement)	**1,900.4**	1,667.5
Waterfront Charges	**2,030.2**	2,073.2
Construction Contract Expenses*	**561.1**	413.8
Cost of Land Leased / Sub-Leased	**18.4**	60.9
Cargo Freight and Transportation Expenses	**993.9**	759.8
Aircraft Operating Expenses	**120.7**	127.5
Other expenses including Customs Establishment charges	**28.9**	172.0
	21,678.9	18,353.0

*Includes material of ₹ 491.2 million (previous year ₹ 321.0 million) and services ₹ 69.9 million (previous year ₹ 92.8 million)

23 Employee Benefits Expense

	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million
Salaries, Wages and Bonus (Net of reimbursement)	**3,419.4**	2,444.4
Contribution to Provident & Other Funds	**126.0**	107.9
Gratuity Expense (refer note 29)	**58.0**	43.3
Staff Welfare Expenses	**228.0**	162.5
	3,831.4	2,758.1

24 Finance Costs

	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million
a) Interest and Bank Charges		
Interest on		
Debentures/Bonds	**6,472.0**	4,252.8
Fixed Loans, Buyer's Credit, Short Term etc.	**5,396.8**	6,668.6
Interest on income tax	**-**	-
Others	**170.8**	32.2
Bank and other Finance Charges	**772.8**	982.5
	12,812.4	11,936.1
b) Loss/(Gain) on Derivatives / Swap Contracts (net)	**1,119.4**	-693.1
	13,931.8	11,243.0

25 Other Expenses

	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million
Rent Expenses (refer note below (a))	**309.3**	275.6
Rates and Taxes	**101.3**	66.1
Insurance (net of reimbursement)	**241.5**	155.3
Advertisement and Publicity	**153.9**	151.9
Other Repairs and Maintenance (net of reimbursement)	**449.0**	433.6
Legal and Professional Expenses	**708.4**	508.1
Corporate Support Service Fees	**443.7**	198.0
IT Support Services	**107.7**	98.4
Security Services Charges	**72.9**	92.5
Communication Expenses	**117.5**	66.9
Electric Power Expenses	**43.6**	12.3
Travelling and Conveyance	**260.6**	250.4
Directors Sitting Fee	**4.2**	3.7
Commission to Non-executive Directors	**4.8**	6.2
Charity and Donations (Refer note (c) below)	**594.4**	540.2
Allowances for Doubtful Debts	**41.3**	76.5
Allowances for Doubtful Advance and Deposits	**105.9**	57.4
Diminution in value of capital inventories	**211.5**	-
Loss on Sale/Discard of Property, Plant and Equipment (net)	**35.4**	29.2
Miscellaneous Expenses	**729.4**	709.8
	4,736.3	**3,732.1**

Note:

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 ₹ 42.4 million (previous year ₹ 40.9 million) 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 ₹ 1000.0 million 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 and no restrictions imposed by the lease arrangements. Expenses of ₹ 1.0 million (previous year ₹ 1.0 million) incurred under such lease have been expensed in the statement of profit and loss.

ii) Assets taken under Operating Leases - Land for purpose of constructing corporate office have been taken on operating lease basis during the year. The lease rent terms for the period of 20 years and are 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 the lease arrangements. Rental charges of ₹ 35.4 million 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 ₹ 70.0 million. A lease rent expenses of ₹ 35.0 million (previous year NIL) has been expensed in the statement of profit and loss and the Company has also paid advance of ₹ 1,400.0 million as per terms of agreement.

Future minimum rentals payable under non-cancellable operating leases are as follows:

(₹ in Million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Not later than one year	**201.5**	130.0	129.5
Later than one year and not later than five years	**823.9**	532.8	528.8
Later than five years	**3,665.8**	2,720.4	2,797.2

c) Details of Expenditure on Corporate Social Responsibilities

	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million
(i) Gross Amount required to spent during the year	**545.0**	440.1

(ii) Amount spent during the year ended	In Cash	Yet to be paid in cash	Total
March 31, 2017			
Construction/acquisition of any asset	**84.0**	-	84.0
On purposes other than (i) above	**464.0**	-	464.0
Total	**548.0**	-	548.0
March 31, 2016			
Construction/acquisition of any asset	**137.7**	-	137.7
On purposes other than (i) above	**306.9**	-	306.9
Total	**444.6**	-	444.6

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

	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million
Current Income Tax		
Current Tax Charges	**8,815.9**	7,299.6
Tax(credit) under Minimum Alternative Tax	**(7,704.2)**	(6,136.0)
Adjustment in respect of Current income tax of previous year	**1.3**	(2.7)
Deferred Tax	-	-
Relating to origination and reversal of temporary differences	**1,753.3**	1,667.2
Tax Expense reported in the Consolidated Statement of Profit and Loss	**2,866.3**	2,828.1

Other Comprehensive Income ('OCI') Section

Deferred tax related to items recognised in OCI during the year

	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million
Net Loss /(Gain) on remeasurements of defined benefit plan	**16.1**	(11.7)
Unrealised Loss/ (Gain) on FVTOCI Equity Securities	**0.3**	39.7
	16.4	28.0

(ii) Balance Sheet Section

	March 31, 2017 ₹ In Million	March 31, 2016 ₹ In Million	April 01, 2015 ₹ In Million
Provision for Income Tax (net of advance tax)	**1939.1**	309.6	430.4
Taxes recoverable (net of provision) (refer note 8)	**660.1**	804.3	806.4
	1,279.0	- 494.70	- 376.00

(iii)Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2016

	%	March 31, 2017 ₹ In Million	%	March 31, 2016 ₹ In Million
Accounting profit before Income tax		**41,788.7**		31,194.4
At India's Statutory income tax rate (Minimum Alternative Tax)(34.608%)	34.61%	**14,462.2**	34.61%	10,795.8
Add /(Less) Adjustment in respect of current income tax of previous year				
i) Non Deductible Expenses	0.62%	**261.1**	1.20%	373.0
ii) Deduction u/s 80IA/80IAB	-22.95%	**(9,591.0)**	-30.61%	(9,549.7)
iii) Recognition of credits for previous period tax losses	-4.82%	**(2,015.5)**	-3.83%	(1,195.9)
iv) MAT credit recognised for earlier years	-2.65%	**(1,108.8)**	0.00%	-
v) MAT credit not recognised for earlier years	0.00%	**-**	2.58%	806.3
vi) Tax Credit on Unrealised Profit eliminated	0.02%	**6.6**	-0.45%	(141.5)
vii) Deferred tax asset not recognised on unabsorbed depreciation / losses	1.34%	**558.6**	4.85%	1,511.9
viii) Others	0.70%	**293.1**	0.73%	228.2
Total		**(11,595.9)**		**(7,967.7)**
		-		-
Income tax reported in Statement of profit and Loss	**6.86%**	**2,866.3**	9.07%	2,828.1

(iv) Deferred Tax Liability (net)

	Balance Sheet as at				Statement of Profit and Loss	
	March 31, 2017	March 31,2016	April 01, 2015		**March 31, 2017**	March 31, 2016
	₹ In Million	₹ In Million	₹ In Million		**₹ In Million**	₹ In Million
(Liability) on Accelerated depreciation for tax purpose	**(17,509.1)**	(17,141.8)	(14,733.3)		**(367.3)**	(2,408.5)
Assets on unrealised exchange variation	**181.2**	444.3	2,086.3		**(263.1)**	(1,642.0)
Assets on Provision for Gratuity and Leave encashment	**40.2**	-	-		**40.2**	-
Assets / (Liability) on Reversal of 80IA period	**1,167.4**	1,499.7	1,309.1		**(332.3)**	190.6
Assets / (Liability) on other temporary differences	**356.2**	1,505.4	1,420.4		**(1,149.2)**	85.0
Assets on consolidation adjustments	**1,719.5**	1,478.9	833.4		**240.6**	645.5
Assets on account of unabsorbed losses/depreciation	**3,635.5**	3,417.2	1,354.0		**218.3**	2,063.2
Assets on account of bonus payable	**0.1**	-	-		**0.1**	-
Assets on Bond issue expenses amortization	**137.1**	-	-		**137.1**	-
Assets on Deposit Given and Taken (net)	**26.5**	20.2	13.2		**6.3**	7.0
(Liability) on Preference Share debt component	**(681.7)**	(705.7)	(727.8)		**24.0**	22.1
Assets / (Liability) on Inter Corporate Deposit Fair valuation	**(80.1)**	209.9	806.8		**(290.0)**	(596.9)
Assets / (Liability) on Deferred Government Grant	**3.5**	3.8	4.8		**(0.3)**	(1.0)
Assets on Interest Expenses	**24.6**	-	-		**24.6**	-
(Liability) on Corporate /Bank Guarantee Amortization	**(70.1)**	(54.0)	(25.6)		**(16.1)**	(28.4)
Assets / (Liability) on remeasurement (gain)/loss on defined benefit plan	**(3.4)**	7.3	(0.6)		**(10.7)**	7.9
(Liability) on equity investment FVTOCI	**(248.1)**	(248.4)	(208.7)		**0.3**	(39.7)
	(11,300.7)	(9,563.2)	(7,868.0)	-	**(1,737.5)**	(1,695.2)

(v) Deferred Tax Assets reflected in the Balance Sheet as follows

	March 31, 2017	March 31, 2016	April 01, 2015
	₹ In Million	₹ In Million	₹ In Million
Tax Credit Entitlement under MAT	**29,059.2**	21,578.4	15,442.4
Less :Deferred tax liabilities (net)	**(11,300.7)**	(9,563.2)	(7,868.0)
	17,758.5	12,015.2	7,574.4

(vi) Reconciliation of Deferred tax liabilities (net)

	March 31, 2017	March 31, 2016
	₹ In Million	₹ In Million
Tax income / (expenses) during the period recognised in Statement of Profit and Loss Tax income / (expenses) during the period recognised in OCI	**1,753.3**	1,667.2
	(15.8)	28.0
	1,737.5	1,695.2

(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 ₹ 7,042.4 million (previous year ₹ 6,243.4 million) for current taxation based on its book profit for the financial year 2016-17 and has recognised MAT credit of ₹ 5,712.8 million (previous year ₹ 6,078.2 million) (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 ₹ 1,991.3 million (previous year ₹ 57.8 million) 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.

(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 million)**	**Expiry Date**
2011-12	2,509.4	2026-27
2012-13	3,669.6	2027-28
2013-14	4,501.9	2028-29
2014-15	4,834.5	2029-30
2015-16	6,949.4	2030-31
2016-17	6,594.4	2031-32
Total	**29,059.2**	

(ix) Certain Subsidiary Companies have carried forward unabsorbed depreciation of ₹ 8,115.5 million (Previous year ₹ 7,047.1 million and as at April 01,2015 ₹ 5,735.9 million) 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 ₹ 3,939.6 million (previous year ₹ 7,164.4 million and as at April 01, 2015 ₹ 5,306.4 million) 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 ₹ 2,808.6 million.

(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)

	March 31, 2017	March 31, 2016
	₹ In Million	₹ In Million
Profit after tax	**39,115.2**	28,971.6
Less : Dividends on Non-Cumulative Redeemable Preference Shares and tax thereon	*-	*-
Net profit for calculation of basic and diluted EPS	**39,115.2**	**28,971.6**
*- Figures being nullified on conversion to ₹ in million.		
	No.	No.
Weighted average number of equity shares in calculating basic and diluted EPS	**2,070,951,761**	2,070,951,761
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 million

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
a) Contract revenue recognized during the year	**182.4**	233.5	101.7
b) Disclosure for Contract in Progress			
(i) Aggregate amount of contract costs incurred up to date	**63.7**	35.1	58.2
(ii) Recognised Profit (Less recognised losses)	**118.7**	198.4	43.5
(iii) Customer advances outstanding	**-**	-	-
(iv) Retention money due from customers	**-**	3.0	28.7
c) Amount due from customers	**89.4**	157.5	-
d) Amount due to customers	**5.9**	-	-

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 ₹ 128.7 million (Previous Year ₹ 88.5 million) as expenses under the following defined contribution plan.

(₹ in millin)

Contribution to	2016-17	2015-16
Provident Fund	**126.0**	85.8
Superannuation Fund	**2.7**	2.7
Total	**128.7**	88.5

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 aim 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.

Gratuity

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

₹ in million

Particulars	March 31, 2017	March 31, 2016
Present value of the defined benefit obligation at the beginning of the year	**239.9**	164.5
Current service cost	**49.3**	39.7
Past Service Cost	**-**	-
Interest cost	**19.2**	13.1
Re-measurement (or Actuarial) (gain) / loss arising from and including OCI:	**-**	-
- change in demographic assumptions	**-**	(0.4)
- change in financial assumptions	**(57.8)**	16.4
- experience variance	**12.0**	16.3
Benefits paid	**(17.7)**	(9.7)
Liability Transfer In	**14.9**	-
Liability Transfer Out	**(16.8)**	-
Present value of the defined benefit obligation at the end of the year	**243.0**	239.9

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

₹ in million

Particulars	March 31, 2017	March 31, 2016
Fair value of plan assets at the beginning of the year	**130.3**	114.9
Investment income	**10.3**	9.2
Contributions by employer	**80.2**	8.1
Benefits paid	**(3.5)**	(1.0)
Return on plan assets , excluding amount recognised in net interest expense	**4.0**	(0.9)
Acquisition Adjustment	**0.2**	-
Fair value of plan assets at the end of the year	**221.5**	130.3

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

₹ in million

Particulars	March 31, 2017	March 31, 2016
Present value of the defined benefit obligation at the end of the year	**243.0**	239.9
Fair value of plan assets at the end of the year	**221.5**	130.3
Amount recognised in the balance sheet	**(21.5)**	(109.6)
Net (liability)/asset - Current	**24.0**	0.2
Net (liability)/asset - Current	**(6.4)**	(94.8)
Net (liability)/asset - Non-current	**(39.1)**	(15.0)

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

₹ in million

Particulars	March 31, 2017	March 31, 2016
Current service cost	**49.3**	39.7
Interest cost on benefit obligation	**8.7**	3.6
Total Expense included in employee benefits expense	**58.0**	43.3

v) Recognised in the other comprehensive income for the year

₹ in million

Particulars	March 31, 2017	March 31, 2016
Actuarial (gain)/losses arising from		
- change in demographic assumptions	**-**	(0.4)
- change in financial assumptions	**(56.7)**	16.4
- experience variance	**10.6**	16.3
Return on plan assets, excluding amount recognised in net interest expense	**(4.0)**	0.9
Recognised in comprehensive income	**(50.1)**	33.2

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

Particulars	March 31, 2017		March 31, 2016	
Assumptions	Discount rate		Discount rate	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligations	₹ In Million	₹ In Million	₹ In Million	₹ In Million
	32.5	**(27.2)**	(28.8)	34.7

Particulars	March 31, 2017		March 31, 2016	
Assumptions	Salary Growth rate		Salary Growth rate	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligations	₹ In Million	₹ In Million	₹ In Million	₹ In Million
	32.4	**(27.6)**	33.9	(28.8)

Particulars	March 31, 2017		March 31, 2016	
Assumptions	Attrition rate		Attrition rate	
Sensitivity level	10% Increase	10% Decrease	10% Increase	10% Decrease
Impact on defined benefit obligations	₹ In Million	₹ In Million	₹ In Million	₹ In Million
	(1.9)	**2.0**	(4.3)	4.7

Particulars	March 31, 2017		March 31, 2016	
Assumptions	Mortality rate		Mortality rate	
Sensitivity level	10% Increase	10% Decrease	10% Increase	10% Decrease
Impact on defined benefit obligations	₹ In Million	₹ In Million	₹ In Million	₹ In Million
	0.1	**(0.2)**	(0.1)	0.1

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 Million)

Particulars	March 31, 2017	March 31, 2016
Within the next 12 months (next annual reporting period)	**10.5**	10.3
Between 2 and 5 years	**70.3**	37.6
Between 5 and 10 years	**72.5**	94.4
Beyond 10 years	**606.6**	719.6
Total Expected Payments	**759.9**	861.9

The Group expects to contribute ₹ 60.6 million to gratuity fund in the financial year 2017-18. (previous year ₹ 147.9 million)

30 Segment Information

Operating Segments

The identified reportable Segments are Port and Special Economic Zone activities 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, Services as per Concession agreement with Government of India, Ministry of Railways for movement of Container Trains on specific Railway Routes and Multi-modal Cargo storage cum logistics services through development of Inland Container Depots at various strategic locations.

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).

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 Segement 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 Million)
Particulars	**Port and SEZ activities**	**Others**	**Eliminations**	**Total**
Revenue				
External Sales	**77,810.0**	**6,583.5**	**-**	**84,393.5**
	66,077.8	5,008.8	-	71,086.6
Inter-Segment Sales		**2,845.6**	**(2,845.6)**	**-**
	-	(3,457.7)	3,457.7	-
Total Revenue	**77,810.0**	**9,429.1**	**(2,845.6)**	**84,393.5**
	66,077.8	1,551.1	3,457.7	71,086.6
Results	-	-	-	-
Segment Results	**42,471.0**	**677.3**	**-**	**43,148.3**
	35,953.9	209.9	-	36,163.8
Unallocated Corporate Income (Net of expenses)	**-**	**-**	**3,898.4**	**3,898.4**
	-	-	(38.4)	(38.4)
Operating Profit	**42,471.0**	**677.3**	**3,898.4**	**47,046.7**
	35,953.9	209.9	(38.4)	36,125.4
Less: Finance Expense	**-**	**-**	**-**	**13,931.8**
	-	-	-	11,243.0
Add: Interest Income	**-**	**-**	**-**	**8,673.8**
	-	-	-	6,312.0
Profit before tax	**-**	**-**	**-**	**41,788.7**
	-	-	-	31,194.4
Tax Expense	**-**	**-**	**-**	**2,866.3**
	-	-	-	2,828.1
Total Tax	**-**	**-**	**-**	**2,866.3**
	-	-	-	2,828.1
Profit after tax	**-**	**-**	**-**	**38,922.4**
	-	-	-	28,366.3
Less: Minority Interest	**-**	**-**	**-**	**(100.2)**
	-	-	-	(412.6)
Add : Share of jointly controlled entities	**-**	**-**	**-**	**92.6**
	-	-	-	192.7
Net profit	**-**	**-**	**-**	**39,115.2**
	-	-	-	28,971.6
Other Information	-	-	-	-
Segment Assets	**318,373.0**	**12,754.1**	**-**	**331,127.1**
	256,153.0	11,704.5	-	267,857.5
Unallocated Corporate Assets	**-**	**-**	**-**	**104,723.7**
	-	-	-	118,202.4
Total Assets	**318,373.0**	**12,754.1**	**-**	**435,850.8**
	-	-	-	386,059.9
Segment Liabilities	**28,027.7**	**1,216.4**	**-**	**29,244.1**
	21,247.6	1,349.8	-	22,597.4
Unallocated Corporate Liabilities	**-**	**-**	**-**	**229,954.5**
	-	-	-	227,168.0
Total liabilities	**28,027.7**	**1,216.4**	**-**	**259,198.6**
	-	-	-	249,765.4
Capital Expenditure during the year	**36,324.9**	**550.2**	-	**36,875.1**
	20,829.0	418.7	-	21,247.7
Segment Depreciation(Expense)	**11,087.2**	514.7	-	**11,601.9**
	10,164.3	465.3	-	10,629.6
Major Non-cash expenses other than Depreciation and amortisation (net)	**359.9**	**46.3**	-	**406.2**
	252.2	36.6	-	288.8
Unallocated Non-Cash Expenses other than Depreciation and amortisation (net)				**2,216.0**
	-	-	-	
	-	-	-	-

Previous year figures are in italics

Additional information regarding the Company's geographical segments: **(₹ in Million)**

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**
				277,129.9	246,396.8	221,681.6
1	India	82,738.2	71,086.5	1,070.4	-	-
2	Outside India	1,655.3	-			

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) Mundra	India	**100**	74
f	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
k	Adani Vizag Coal Terminal Private Limited	India	**100**	100
l	Adani Kandla Bulk Terminal Private Limited (refer note a) below) Adani	India	**100**	74
m	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) Abbott Point	India	**100**	-
y	Bulkcoal Pty Limited (acquired on October 04, 2016)	Australia	**100**	-
z	Adani Harbour Services Private Limited (formerly known as T M Harbour Services Private Limited) (acquired on December 07,2016)	India	**100**	-
aa	Dholera Infrastructure Private Limited	India	**49**	49
bb	Dholera Port and Special Economic Zone Limited	India	**49**	49
cc	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 ₹ 613.4 million. 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)

32 Related Party Disclosures

A. Related parties with whom transaction have 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 Abbot Point Port Holdings Pte Limited- Singapore
Entities over which Key Management Personnel and their relatives having Significant Influence	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 Adani Agri Fresh Limited
Entities over which major shareholders of the Company are able to exercise significant influence through voting powers.	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 Private Limited 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)

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.

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Detail of Related Party Transactions for the period ended March 31, 2017

₹ in Million

Category	Name of Related Party	March 31, 2017	March 31, 2016
Income from Port Services / Other Operating Income	Adani Enterprises Ltd	**3,048.1**	3,851.6
	Adani International Container Terminal Pvt Ltd	**1,446.0**	1,453.2
	Adani Power Ltd	**5,267.8**	5,197.3
	Adani Power Rajasthan Ltd	**926.5**	1,293.2
	Adani Wilmar Ltd	**620.6**	581.9
	Adani Bunkering Pvt Ltd	**293.2**	255.5
	Sarguja Rail Corridor Pvt Ltd	**-**	1.0
	Adani Mundra SEZ Infrastructure Pvt Ltd	**0.1**	8.4
	Adani Power Maharashtra Ltd	**21.1**	1,281.3
	Prayatna Developers Private Limited	**3.2**	-
	Mundra Solar Technopark Pvt Ltd	**1.9**	0.8
	Mundra Solar PV Limited	**77.3**	8.0
	Adani Global FZE	**0.1**	-
	Adani Foundation	**18.0**	23.7
Recovery of expenses (Reimbursement)	Adani International Container Terminal Pvt Ltd	**55.4**	77.2
	Adani CMA Mundra Terminal Pvt Ltd	**0.5**	-
Lease & Infrastructure Usage Income/ Upfront Premium (Includes Reversal)	Adani International Container Terminal Pvt Ltd	**46.1**	42.0
	Adani Power Ltd	**12.9**	21.6
	Adani Wilmar Ltd (transaction reversal)	**6.1**	(30.5)
	Adani Mundra SEZ Infrastructure Pvt Ltd	**78.7**	(1.4)
	Mundra Solar Technopark Pvt Ltd	**1,214.0**	4,231.5
Purchase of Spares and consumables, Power & Fuel	Adani CMA Mundra Terminal Pvt Ltd	**-**	69.8
	Adani Power Ltd	**0.1**	2.1
	Adani Power Rajasthan Ltd	**9.6**	-
	Adani Bunkering Pvt Ltd	**638.8**	0.2
Services Availed (including reimbursement of expenses)	Adani Enterprises Ltd	**478.4**	252.3
	Petronet LNG Ltd	**0.1**	0.1
	Adani Gas Ltd	**0.1**	0.1
	Adani International Container Terminal Pvt Ltd	**-**	0.4
	Adani Power Ltd	**147.9**	165.1
	Adani Mundra SEZ Infrastructure Pvt Ltd	**1.3**	23.4
	Adani Foundation	**3.4**	-
	Adani Institute of Education and Research	**8.0**	-
	Adani CMA Mundra Terminal Pvt Ltd	**22.8**	-
	Delhi Golf Link Properties Pvt Ltd	**-**	0.6
Purchase of Material	Adani Power Ltd	**29.1**	-
	Adani Power Dahej Ltd	**2.2**	-
Rent charges paid	Adani International Container Terminal Pvt Ltd	**38.0**	16.0
	Adani Infrastructure & Development Pvt Ltd	**14.1**	8.3
	Delhi Golf Link Properties Pvt Ltd	**-**	1.0
	Adani Properties Pvt Ltd	**35.7**	0.7
Interest Income on loans/ deposits/deferred accounts receivable	Adani Agri Fresh Ltd	**956.9**	1,254.6
	Adani Enterprises Ltd	**454.4**	59.7
	Adani International Container Terminal Pvt Ltd	**134.3**	77.6
	Adani Power Ltd	**645.0**	470.0
	Adani Power Rajasthan Ltd	**31.8**	82.8
	Mundra Solar Technopark Pvt Ltd	**219.3**	58.9
	Adani Infra (India) Limited	**1,169.3**	-
	Adani Bunkering Pvt Ltd	**413.0**	136.8
	Adani Power Maharashtra Ltd	**63.2**	52.4
	Adani Infra (India) Limited	**-**	1,415.2
	Adani Skill Development Centre Pvt Ltd	**0.1**	-
	Adani CMA Mundra Terminal Pvt Ltd	**1.6**	-
	Maharashtra Eastern Grid Power Transmission Company Ltd	**-**	70.3
Sales of Scrap and other Miscellaneous Income	Adani Enterprises Ltd	**-**	0.6
	Adani International Container Terminal Pvt Ltd	**66.6**	54.4
	Adani Power Ltd	**6.2**	1.4
	Mundra Solar Technopark Pvt Ltd	**-**	5.7
	Adani Wilmar Ltd	**-**	1.5
	Adani Bunkering Pvt Ltd	**-**	0.2
	Adani Foundation	**0.1**	0.1
	Mundra Solar Ltd	**-**	0.8
	Mundra Solar PV Limited	**1.3**	0.7
Loans Given	Adani Enterprises Ltd	**10,650.0**	1,750.0
	Adani Agri Fresh Ltd	**30.0**	-
	Adani International Container Terminal Pvt Ltd	**7,864.2**	431.2
	Mundra Solar Technopark Pvt Ltd	**1,554.9**	3,280.9
	Maharashtra Eastern Grid Power Transmission Company Ltd	**-**	4,270.0
	Adani Skill Development Centre Pvt Ltd	**4.0**	-
	Adani CMA Mundra Terminal Pvt Ltd	**72.2**	-
	Adani Infra (India) Limited	**-**	1,000.0
Advance / Deposit Given	Adani Enterprises Ltd	**6.6**	5,520.0
	Adani Properties Pvt Ltd	**1,400.0**	-
	Adani Bunkering Pvt Ltd	**-**	4,000.0
	Adani Power Ltd	**-**	2,000.0
Advance / Deposit Received Back/Utilised	Adani Enterprises Ltd	**5,520.0**	-
	Adani Bunkering Pvt Ltd	**481.9**	-
	Adani Power Ltd	**2,000.0**	-
Service Line contribution Received	Mundra Solar Technopark Pvt Ltd	**-**	8.5
Security Deposit Received	Mundra Solar Technopark Pvt Ltd	**-**	1.7
Sale of Power	Mundra Solar PV Limited	**10.1**	-
	Adani Power Ltd	**-**	16.1
	Mundra Solar Technopark Pvt Ltd	**5.6**	-

Category	Name of Related Party	March 31, 2017	March 31, 2016
Purchase of Power	Adani Power Ltd	**833.6**	976.5
	Udupi Power Corporation Limited	**182.5**	-
	Adani Enterprises Ltd	**63.2**	47.5
Loans Received back	Adani Agri Fresh Ltd	**10,344.0**	334.8
	Adani International Container Terminal Pvt Ltd	**-**	1,271.2
	Adani Enterprises Ltd	**10,650.0**	1,750.0
	Adani Infra (India) Limited	**11,688.5**	-
	Mundra Solar Technopark Pvt Ltd	**4,794.7**	41.1
	Maharashtra Eastern Grid Power Transmission Company Ltd	**-**	4,333.2
Share Application Money Paid / Investment	Mundra Solar Technopark Pvt Ltd	**-**	24.0
	Adani Enterprises Ltd	**-**	261.0
Purchase of Investment	Adani Enterprises Ltd (refer note (b) below)	**613.4**	-
Donation	Adani Foundation	**457.9**	434.5
	Gujarat Adani Institute of Medical Sciences	**75.0**	-
Sale of Assets	Adani International Container Terminal Pvt Ltd	**9.7**	7.2
	Adani CMA Mundra Terminal Pvt Ltd	**72.2**	-
Purchase of Property / Assets /Land use rights	Adani Power Dahej Ltd	**-**	0.4
	Adani Properties Pvt Ltd	**603.0**	-
	Adani Enterprises Ltd	**2,650.0**	-
	Adani Mundra SEZ Infrastructure Pvt Ltd	**89.0**	-
Remuneration	Mr. Gautam S. Adani	**18.0**	18.0
	Mr. Sudipta Bhattacharya	**-**	31.4
	Mr. Karan Adani	**8.8**	12.0
	Mr. B. Ravi	**35.4**	28.8
	Ms. Dipti Shah	**2.3**	2.0
	Dr. Malay Mahadevia	**111.0**	107.0
Sale of Redemption of Investment	Adani Green Energy Limited	**-**	15.5
Commission to Director	Mr. Gautam S. Adani	**10.0**	10.0
Commission to Non-Executive Director	Prof. G. Raghuram	**1.2**	1.2
	Mr. Sanjay S. Lalbhai	**1.2**	1.2
	Mr. Arun Duggal	**-**	0.3
	Mr. D. T. Joseph	**-**	0.6
	Mr. Sarthak Behuria	**-**	0.5
	Ms. Radhika Haribhakti	**1.2**	1.2
	Mr. Gopal Krishna Pillai	**1.2**	1.2
Sitting Fees	Mr. Rajesh S. Adani	**0.5**	0.8
	Prof. G. Raghuram	**0.3**	0.3
	Mr. Sanjay S. Lalbhai	**0.1**	0.1
	Mr. Arun Duggal	**-**	0.1
	Mr. D. T. Joseph	**-**	0.1
	Mr. Sarthak Behuria	**-**	0.1
	Mr. A.K. Rakesh, IAS	**-**	-*
	Ms. Radhika Haribhakti	**0.3**	0.3
	Mr. Gopal Krishna Pillai	**0.1**	0.1
Corporate Guarantee Given	Adani International Container Terminal Pvt Ltd	**-**	USD 175 Million
	Adani CMA Mundra Terminal Pvt Ltd	**-**	4,480.0

Closing Balance ₹ in Million

Category	Name of Related Party	March 31, 2017	March 31, 2016	April 01, 2015
Trade Receivable	Adani Enterprises Ltd	**1,328.5**	1,964.1	476.0
	Adani International Container Terminal Pvt Ltd	**495.5**	45.4	613.4
	Adani Power Dahej Ltd	**103.2**	157.4	226.9
	Adani Power Ltd	**5,235.2**	6,230.2	6,329.3
	Adani Power Maharashtra Ltd	**770.8**	963.1	278.3
	Adani Power Rajasthan Ltd	**690.9**	874.4	803.1
	Adani Wilmar Ltd	**62.1**	44.3	47.7
	Adani Bunkering Pvt Ltd	**51.2**	33.2	6.6
	Sarguja Rail Corridor Pvt Ltd	**-**	1.1	-
	Mundra Solar Technopark Pvt Ltd	**1,246.5**	1,964.4	-
	Adani Mundra SEZ Infrastructure Pvt Ltd	**142.9**	69.0	-
	Adani Foundation	**4.4**	1.6	2.3
	Prayatna Developers Private Limited	**3.8**	-	-
	Adani Global Fze	**0.1**	-	-
	Adani Infra (India) Limited	**-**	-	1.0
	Mundra Solar PV Limited	**43.6**	7.9	-
		10,178.7	**12,356.1**	**8,784.6**
Loans	Adani Agri Fresh Ltd	**-**	10,314.0	10,648.8
	Adani Enterprises Ltd	**-**	8,043.3	2,502.5
	Adani International Container Terminal Pvt Ltd	**7,864.2**	-	840.0
	Adani CMA Mundra Terminal Pvt Ltd	**72.2**	-	-
	Adani Properties Pvt Ltd	**-**	10.0	10.0
	Mundra Solar Technopark Pvt Ltd	**-**	3,239.8	-
	Adani Mundra Sez Infrastructure Pvt Ltd	**-**	247.5	-
	Adani Infra (India) Limited	**-**	11,688.5	10,688.5
	Adani Skill Development Centre Pvt Ltd	**4.0**	-	-
	Adani Power Ltd	**-**	2,000.0	-
		7,940.4	**35,543.1**	**24,689.8**
Capital Advances	Adani CMA Mundra Terminal Pvt Ltd	**26.4**	5.6	5.6
	Adani Bunkering Pvt Ltd	**0.3**	-	0.3
	Adani Properties Pvt Ltd	**1,400.0**	-	-
	Adani Enterprises Ltd	**6.6**	-	-
	Adani Mundra SEZ Infrastructure Pvt Ltd	**219.9**	220.0	-
		1,653.2	**225.6**	**5.9**

Category	Name of Related Party	March 31, 2017	March 31, 2016	April 01, 2015
Trade Payable (including provisions)	Adani Enterprises Ltd	**251.6**	124.9	34.4
	Adani International Container Terminal Pvt Ltd	**32.4**	1.6	2.4
	Adani Power Ltd	**172.4**	100.0	86.4
	Adani Power Rajasthan Ltd	**9.6**	-	-
	Adani Power Dahej Ltd	**-**	-	3.6
	Adani CMA Mundra Terminal Pvt Ltd	**92.6**	70.2	-
	Adani Bunkering Pvt Ltd	**5.7**	107.4	16.4
	Adani Mundra SEZ Infrastructure Pvt Ltd	**3.6**	4.7	-
	Adani Infrastructure & Development Pvt Ltd	**5.7**	2.9	-
	Adani Infra (India) Limited	**0.2**	-	-
	Adani Wilmar Ltd	**0.2**	0.9	0.1
	Adani Renewable Energy Park Rajasthan Ltd	**0.2**	-	-
	Adani Green Energy Limited	**0.4**	-	-
	Mundra Solar PV Limited	**0.2**	-	-
	Petronet LNG Ltd	**-**	-	0.3
	Adani Township and Real Estate Company Limited	**2.8**	0.1	-
		577.6	**412.7**	**143.6**
Advances and Deposits from Customer/ Sale of Assets	Adani Enterprises Ltd	**21.5**	14.8	279.5
	Adani Wilmar Ltd	**27.7**	30.0	18.5
	Adani Bunkering Pvt Ltd	**20.0**	20.0	20.1
	Kutch Power Generation Ltd	**32.1**	32.1	32.1
	Adani Power Ltd	**105.3**	15.3	14.8
	Adani Foundation	**0.1**	-	-
	Adani Mundra SEZ Infrastructure Pvt Ltd	**0.6**	0.2	-
	Mundra Solar Technopark Pvt Ltd	**48.3**	-	-
	Parampujya Solar Energy Private Ltd	**3.5**	-	-
	Wardha Solar(Maharashtra) Pvt Ltd	**0.4**	-	-
	Adani International Container Terminal Pvt Ltd	**1,367.4**	4.0	-
		1,626.9	**116.4**	**365.0**
Other Financial & Non-Financial Assets	Adani Agri Fresh Ltd	**-**	-	272.5
	Adani International Container Terminal Pvt Ltd	**553.4**	447.2	450.0
	Adani CMA Mundra Terminal Pvt Ltd	**74.3**	-	-
	Adani Power Ltd	**1,639.1**	1,258.1	970.9
	Adani Power Rajasthan Ltd	**57.3**	35.6	15.9
	Adani Power Maharashtra Ltd	**102.3**	9.9	-
	Adani Bunkering Pvt Ltd	**3,898.3**	4,222.8	1.5
	Mundra Solar Technopark Pvt Ltd	**2.4**	53.0	-
	Adani Mundra SEZ Infrastructure Pvt Ltd	**766.0**	518.5	-
	Adani Infra (India) Limited	**0.7**	1,882.3	470.3
	Abbot Point Port Holdings Pte Ltd- Singapore	**851.3**	875.3	816.2
	Mundra Solar PV Limited	**10.4**	-	-
	Adani Skill Development Centre Pvt Ltd	**0.1**	-	-
	Adani Properties Pvt Ltd	**10.0**	-	-
	Delhi Golf Link Properties Pvt Ltd	**1,000.0**	1,000.0	1,000.0
	Adani Wilmar Ltd	**0.1**	-	27.7
	Adani Enterprises Ltd	**63.4**	53.7	-
		9,029.1	**10,356.4**	**4,025.0**
Other Financial & Non-Financial Liabilities	Adani International Container Terminal Pvt Ltd	**-**	1.4	1.0
	Adani CMA Mundra Terminal Pvt Ltd	**0.7**	-	-
	Adani Power Dahej Ltd	**-**	-	22.4
	Mundra Solar Technopark Pvt Ltd	**-**	314.0	-
	Adani Bunkering Pvt Ltd	**155.9**	6.0	2.5
	Shanti Builder	**0.4**	0.4	0.4
		157.0	**321.8**	**26.3**
Corporate Guarantee	Adani International Container Terminal Pvt Ltd	**USD 50 Million**	USD 250 Million	USD 165 Million
	Adani International Container Terminal Pvt Ltd	**-**	-	3,050.0
	Adani CMA Mundra Terminal Pvt Ltd	**4,480.0**	4,480.0	-
	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 million.

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 ₹ 2,672.1 million (Prevoius year ₹ 5,843.9 million and April 01, 2015 ₹ 3.1 million)

b. During the year, out of total advance of ₹ 3,020.0 million given to Adani Enterprises Limited for acquisition of equity, the Company has adjusted ₹ 520.0 million 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, the company has taken over fixed assets of ₹ 280.2 million, trade payables of ₹ 46.6 million, trade receivables of ₹ 30.4 million and loans and advances of ₹ 5.7 million 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:

Nature	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 (₹ 8,523.1 million)	USD 434.16 Million (₹ 23,227.1 million)	Hedging of equivalent rupee non convertible debentures aggregate of ₹ Nil Crore and ₹ Nil crore of long term loan (Previous year ₹ 4,565.5 million and ₹ 3,957.6 million and April 01, 2015 ₹ 18,293.9 million and ₹ 4,933.2 million) 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 (₹ 13,351.7 million)**	USD 547.50 Million (₹ 38,014.5 million)	USD 20.25 Million (₹ 3,938.6 million)	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 (₹ 6,746.0 million)	USD 65.87 Million (₹ 4,449.9 million)	-	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 EUR (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)
	EUR 0.58 Million (₹ 43.2 million)	-	EUR 4.65 Million (₹ 351.7 million)	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 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)
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(₹ 9,870.5 million)**	USD 35 Million (₹ 2,287.6 million)	-	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	**-**	-	₹ 1,045.2 million	Hedging of Interest costs on rupee term loan NIL (previous year ₹ Nil million and April 01, 2015 ₹ 1,045.2 million)

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 Million)	**(in Million)**	(₹ In Million)	(in Million)	(₹ In Million)	(in Million)
Foreign Currency Loan	**32,128.1**	**USD 495.42**	59,376.4	USD 896.18	73454.6	USD 1,175.27
	2,435.1	**EUR 35.14**	4,634.5	EUR 61.47	4610.4	EUR 68.62
	123.1	**JPY 212.16**	1,102.1	JPY 1,868.49	1160.8	JPY 2,226.88
Buyer's Credit	**6,103.0**	**USD 94.11**	6,557.4	USD 98.88	4798.9	USD 76.78
	160.7	**EUR 2.32**	1,583.9	EUR 21.01	934.5	EUR 13.91
Trade Payables	**131.1**	**USD 2.02**	30.4	USD 0.46	185.1	USD 2.96
	40.4	**EUR 0.58**	16.5	EUR 0.22	32.5	EUR 0.49
	28.4	**JPY 48.90**	8.1	JPY 13.67	4.3	JPY 8.29
	0.4	**SGD 0.01**	0.5	SGD 0.01	0.3	SGD 0.01
	0.4	**AUD 0.01**	-	-	0.0	-
	0.4	**GBP #**	0.4	GBP #	*	GBP #
Other Current Liabilities	**1,575.7**	**USD 24.29**	534.7	USD 8.07	13.3	USD 0.21
	21.5	**EUR 0.31**	9.6	EUR 0.13	3.0	EUR 0.04
	-	**-**	-	-	0.1	JPY 0.16
Interest accrued but not due	**41.2**	**USD 0.64**	256.9	USD 3.88	442.6	USD 7.08
	9.6	**EUR 0.14**	16.8	EUR 0.22	20.9	EUR 0.31
	1.1	**JPY 1.87**	10.0	JPY 16.87	10.4	JPY 19.88
Other Receivable	**851.3**	**AUD 17.17**	875.4	AUD 17.17	816.2	AUD 17.17
	-	**-**	-	-	287.5	USD 4.60
	-	**-**	-	-	0.8	EUR 0.01
Foreign currency Bond	**67,354.8**	**USD 1,038.63**	43,065.8	USD 650.00	0.0	-

* Figures being nullified on conversion to ₹ in million.
# Figures being nullified on conversion to foreign currency in million.

Closing rates as at

	March 31, 2017	March31, 2016	April 1, 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

34 Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management

34.1 Category-wise Classification of Financial Instruments:

₹ in Million

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	-	-	9,510.3	9,510.3
Bank balances other than cash and cash equivalents	11	-	-	10,760.9	10,760.9
Investments in unquoted Equity Shares (other than investment in jointly controlled entities)	4	2,251.9	-	(0.1)	2,251.8
Investments in unquoted equity shares of jointly controlled entities	4	-	-	271.4	271.4
Investments in unquoted Mutual Funds	10	-	145.4	-	145.4
Investments in unquoted Debentures, Commercial Papers and Government Securities	10	-	-	8,945.0	8,945.0
Trade Receivables (including bill discounted)	5	-	-	27,066.2	27,066.2
Loans	6	-	-	25,419.4	25,419.4
Deposit Given for Acquisition		-	-	14,500.0	14,500.0
Derivatives not designated as Hedges Instruments	7	-	1,061.6	-	1,061.6
Financial Guarantees, received	7	-	87.4	-	87.4
Other Financial assets	7	-	-	17,325.1	17,325.1
Total		**2,251.9**	**1,294.4**	**113,798.2**	**117,344.5**
Financial Liabilities					
Borrowings(including the Bills discounted and current maturities)	14,17,15	-	-	222,142.6	222,142.6
Trade Payables	18	-	-	4,937.2	4,937.2
Derivatives Instruments not designated as Hedge	15	-	1,098.1	-	1,098.1
Financial Guarantees, given	15	-	125.3	-	125.3
Other Financial Liabilities	15	-	-	10,094.5	10,094.5
Total		**-**	**1,223.4**	**237,174.3**	**238,397.7**

₹ in Million

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	-	-	8,430.0	8,430.0
Bank balances other than cash and cash equivalents	11	-	-	5,682.1	5,682.1
Investments in unquoted Equity Shares (other than investment in jointly controlled entities)	4	2,219.5	-	1,500.1	3,719.6
Investments in unquoted equity shares of jointly controlled entities	4	-	-	365.4	365.4
Investments in unquoted Mutual Funds	10	-	1,366.8	-	1,366.8
Investments in unquoted Debentures and Government Securities	10	-	-	1,500.1	-
Trade Receivables (including bill discounted)	5	-	-	24,580.9	24,580.9
Loans	6	-	-	44,817.9	44,817.9
Financial Guarantees, received	7	-	131.0	-	131.0
Other Financial assets	7	-	-	27,006.7	27,006.7
Derivatives not designated as Hedges Instruments	7	-	255.6	-	255.6
Total		**2,219.5**	**1,753.4**	**113,883.2**	**116,356.0**
Financial Liabilities					
Borrowings(including the Bills discounted and current maturities)	14,17,15	-	-	223,415.3	223,415.3
Trade Payables	18	-	-	4,032.9	4,032.9
Derivatives Instruments not designated as Hedge	15	-	816.5	-	816.5
Financial Guarantees, given	15	-	201.3	-	201.3
Other Financial Liabilities	15	-	-	5,768.4	5,768.4
Total		**-**	**1,017.8**	**233,216.6**	**234,234.4**

₹ in Million

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	-	-	4,452.3	4,452.3
Bank balances other than cash and cash equivalents	11	-	-	1,746.7	1,746.7
Investments in unquoted Equity Shares (other than investment in jointly controlled entities)	4	1,982.4	-	-	1,982.4
Investments in unquoted equity shares of jointly controlled entities	4	-	-	312.9	312.9
Investments in unquoted Mutual Funds	10	-	2,028.8	-	2,028.8
Investments in unquoted Government Securities	10	-	-	0.1	0.1
Trade Receivables (including bill discounted)	5	-	-	22,047.3	22,047.3
Loans	6	-	-	35,423.0	35,423.0
Financial Guarantees, received	7	-	172.2	-	172.2
Other Financial assets	7	-	-	9,470.1	9,470.1
Total		**1,982.4**	**2,201.0**	**73,452.4**	**77,635.8**
Financial Liabilities					
Borrowings(including the Bills discounted and current maturities)	14,17,15	-	-	173,832.5	173,832.5
Trade Payables	18	-	-	3,556.8	3,556.8
Derivatives Instruments not designated as Hedge	15	-	4,141.3	-	4,141.3
Financial Guarantees, given	15	-	245.9	-	245.9
Other Financial Liabilities	15	-	-	4,370.1	4,370.1
Total		**-**	**4,387.2**	**181,759.4**	**186,146.6**

34.2 Fair Value Measurements:

₹ in Million

(a) Quantitative disclosures fair value measurement hierarchy for financial assets and financial liabilities:

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)	-	2,251.9	**2,251.9**	-	2,219.5	**2,219.5**	-	1,982.4	**1,982.4**
Investments in unquoted Mutua Funds measured at FVTPL (refer note 10)	145.4	-	**145.4**	1,366.8	-	**1,366.8**	2,028.8	-	**2,028.8**
Derivative instrument	1,061.6	-	**1,061.6**	255.6	-	**255.6**	-	-	**-**
Financial Guarantees, received	-	87.4	**87.4**	-	131.0	**131.0**	-	172.2	**172.2**
Total	**1,207.0**	**2,339.3**	**3,546.3**	**1,622.4**	**2,350.5**	**3,972.9**	**2,028.8**	**2,154.6**	**4,183.4**
Financial Liabilities	-	-	-	-	-	-	-	-	-
Derivative instruments	1,098.1	-	**1,098.1**	816.5	-	**816.5**	4,141.3	-	**4,141.3**
Financial Guarantees, given	-	125.3	**125.3**	-	201.3	**201.3**	-	245.9	**245.9**
Total	**1,098.1**	**125.3**	**1,223.4**	**816.5**	**201.3**	**1,017.8**	**4,141.3**	**245.9**	**4,387.2**

(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 March31, 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 ₹ 134.8 million as of March 31, 2017 (₹ 107.9 million as of March 31, 2016, ₹ 86.0 million 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 ₹ 73.5 million as of March 31, 2017 (₹ 51.9 million as of March 31, 2016 and ₹ 36.6 million 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 ₹ 5.4 million as of March 31, 2017 (₹ 5.4 million as of March 31, 2016 and ₹ 9.2 million 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 ₹ 5.4 million as of March 31, 2017 (₹ 5.4 million as of March 31, 2016 and April 01, 2015 ₹ 0.3 million)

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 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.

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 ₹ 294.7 million (for the year ended March 31, 2016 : decrease / increase by ₹ 516.4 million). 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 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 million

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%	**(722.4)**	(337.1)	**(722.4)**	(337.1)
₹/USD - Decrease by 1%	**722.4**	337.1	**722.4**	337.1
EURO Sensitivity				
₹/EURO - Increase by 1%	**(0.9)**	(4.6)	**(0.9)**	(4.6)
₹/EURO - Decrease by 1%	**0.9**	4.6	**0.9**	4.6
JPY Sensitivity				
₹/JPY- Increase by 1%	**(0.3)**	(0.2)	**(0.3)**	(0.2)
₹/JPY - Decrease by 1%	**0.3**	0.2	**0.3**	0.2
Assets				
AUD Sensitivity				
₹/AUD- Increase by 1%	**8.5**	8.8	**8.5**	8.8
₹/AUD - Decrease by 1%	**(8.5)**	(8.8)	**(8.5)**	(8.8)

(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.

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 Million

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	-	42,210.2	146,296.2	33,636.2	222,142.6
Trade Payables	18	-	4,937.2	-	-	4,937.2
Derivatives Instruments not designated as hedge	15	-	538.5	559.6	-	1,098.1
Financial Guarantees given	15	-	-	125.3	-	125.3
Other Financial Liabilities	15	-	9,849.1	183.0	62.4	10,094.5
Total		-	57,535.0	147,164.1	33,698.6	238,397.7
As at March 31, 2016						
Borrowings (including the bills discounted)	14, 15, 17	-	65,218.6	120,879.3	37,317.4	223,415.3
Trade Payables	18	-	4,032.9		-	- 4,032.9
Derivatives Instruments not designated as hedge	15	-	133.8	682.7	-	816.5
Financial Guarantees given	15	-	-	201.3	-	201.3
Other Financial Liabilities	15	-	5,658.9	44.0	65.5	5,768.4
Total		-	75,044.2	121,807.3	37,382.9	234,234.4

As at April 1, 2015						
Borrowings (including the bills discounted)	14, 15, 17	-	40,613.1	93,694.1	39,525.3	173,832.5
Trade Payables	18	-	3,556.8	-	-	3,556.8
Derivatives Instruments not designated as hedge	15	-	1,257.5	2,883.8	-	4,141.3
Financial Guarantees given	15	-	-	245.9	-	245.9
Other Financial Liabilities	15	-	4,259.3	43.8	67.0	4,370.1
Total		-	49,686.7	96,867.6	39,592.3	186,146.6

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 Million

Particulars	**March 31, 2017**	**March 31, 2016**	**April 1, 2015**
Total Borrowings (refer note 14, 15 and 17)	222,142.6	223,415.3	173,832.5
Less: Cash and Cash Equivalents (refer note 11)	19,768.0	12,782.4	5,935.2
Net Debt (A)	**202,374.6**	**210,632.9**	**167,897.3**
Total Equity (B)	175,259.8	135,054.9	112,804.8
Total Equity and Net Debt (C = A + B)	**377,634.4**	**345,687.8**	**280,702.1**
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 :-

Sr. No.	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	192.8
ii)	Unit Sold	198.67	184.76
iii)	Transmission & Distribution Losses	7.86	8.04
iv)	Transmission & Distribution Losses (%)	3.81%	4.17%

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 million

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 01, 2015
A. Project Costs	**39,918.6**	16,472.1	7,950.1
B. Capital Inventory	**4,611.4**	2,826.7	2,828.5
C. Cost attributable during Construction Period :			
Personnel Expenses			
Salaries, Wages & Bonus	**114.4**	65.2	85.5
Contribution to Provident Fund	**3.5**	2.7	3.3
Workmen and Staff Welfare Expense	**-**	-	0.7
Sub Total	**117.9**	67.9	89.5
Other Expenses			
Power & Fuel	**-**	7.2	5.3
Insurance	**1.1**	-	1.4
Other Repairs and Maintenance	**3.4**	1.6	2.2
Legal and Professional Expenses	**47.8**	36.4	77.8
Travelling and Conveyance	**37.4**	9.5	1.8
Vehicle Hiring Charges	**9.1**	2.8	-
Rent	**-**	3.0	6.0
Security Charges	**6.7**	1.4	3.3
Other Expenses	**31.3**	25.1	-
Factory and Office Expenses	**5.2**	2.0	-
License Fee for water front & Installation Charges	**-**	-	14.2
Sub Total	**142.0**	89.0	112.0
Financial Expenses			
Interest on Borrowings	**618.7**	503.0	122.9
Bank Charges	**10.8**	13.4	4.4
Sub Total	**629.5**	516.4	127.3
Less: Interest Income on Bank Deposits and others	**(117.5)**	(236.2)	(5.6)
Depreciation	**855.2**	680.7	770.2
Total Expenditure (a)	**1,627.1**	1,117.8	1,093.4
Trial Run Income (net of expenses)	**-**	-	109.3
Scrap Sales	**-**	(8.8)	14.4
Total Income (b)	**-**	(8.8)	94.9
Net (a) + (b)	**1,627.1**	1,109.0	1,188.3
Brought Forward from Previous Year	**368.8**	90.7	558.1
Total	**1,995.9**	1,199.7	1,746.4
Amount capitalized/allocated to project costs during the year	**(1,386.2)**	(830.9)	(1,655.7)
Balance Carried Forward Pending Allocation / Capitalisation	**609.7**	368.8	90.7
Total Capital Work In Progress (A + B + C)	**45,139.7**	19,667.6	10,869.3

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.

37 Capital Commitments

₹ in million

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1,2015
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	**35,926.40**	34,691.30	26,330.10

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 :

Name of Subsidiaries / Joint Ventures	% of Non disposal undertaking (Apart from pledged)			% of Share Pledged of the total shareholding of investee company		
	As on March 31,2017	As on March 31,2016	As on April 1,2015	As on March 31,2017	As on March 31,2016	As on April 1,2015
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 ₹ 2,518.1 million (previous year ₹ 3,000 million)

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 ₹ 18,943.5 million (previous year ₹ 22,412.3 million and April 01, 2015 ₹ 21,070.7 million) which is equivalent to 6 to 8 times of duty saved ₹ 2,759.5 million (previous year ₹ 3,005.1 million and April 01, 2015 ₹ 2,718.3 million) . The export obligation has to be completed by 2017-18, 2018-19, 2019-20 and 2020-21.

38 Contingent Liabilities not provided for

₹ In million

Sr.No.	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 ₹ 6,595.2 million (previous Year ₹ 16,000.4 million and April 2015 ₹ 13,268.8 million). During the year Jointly controlled entity has prepaid the loan of ₹ 7,582.9 million, however, the release of corporate guarantee against said loan is pending as at year end and the amount is not included in the disclosure.	**7,722.5**	21,043.8	13,362.6
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 ₹ 29,377.1 million (previous year ₹ 30,013.5 million and April 2015 ₹ 30,437.5 million)	**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.	**2,672.1**	5,843.9	3.1
d	Bank Guarantees given to government authorities and bank (also includes DSRA bank guarantees given to Bank on behalf of subsidiaries and erstwhile subsidiaries.)	**1,599.8**	875.4	1,624.5
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.	**9.4**	9.4	9.4
f	Show cause notices from the Custom Authorities against duty on port related cargo. The Company has given deposit of ₹ 0.5 million (previous year ₹ 0.5 million and April 01, 2015 ₹ 0.5 million) 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.	**1.4**	1.4	1.9
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.	**2.5**	2.5	2.5
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 ₹ 45.0 million (previous Year ₹ 45.0 million and April 01, 2015 ₹ 45.0 million) 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).	**247.8**	200.7	1,118.0

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 ₹ 67.2 million (previous Year ₹ 67.2 million and April 01, 2015 ₹ 67.2 million); and Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad ₹ 1.5 million (previous Year ₹ 1.5 million and April 01, 2015 ₹ 1.5 million) and Commissioner of Service Tax Ahmedabad ₹ 0.3 million (previous Year ₹ 0.3 million and April 01 , 2015 ₹ 0.3 million). 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.	**69.0**	69.0	69.0
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.	**20.0**	20.0	20.0
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 ₹ 183.3 million along with applicable interest and penalty thereon for the differential amount of Customs Duty in respect of import of Bombardier Challenger CI-600 under Non-Scheduled Operation Permit (NSOP) has been raised on the Company.	**183.3**	183.3	-
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 ` 146.7 million 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 .	**145.3**	145.3	145.3
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 ₹ 250.0 million 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.	**250.0**	250.0	-
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.	**320.7**	287.1	645.2
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 ` 8.0 million 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	**-**	8.0	8.0
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 ₹ 30.3 million.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 ₹ 37.1 million (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 ₹ 3.5 million under protest.	**37.1**	37.1	37.1
r	Statutory claims not acknowledged as debts	**4.6**	4.6	4.6
s	Interest claims not acknowledged as debts	**15.0**	13.2	11.5
t	(i) Subsidiary company has received order u/s 144 of the Income tax for AY 2010-11 for a demand of Rs 10.4 million. 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 .	**11.3**	10.4	-

(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 ₹ 1,012.5 million and ₹ 1,039.0 million for year ended March 31, 2017 and year ended March 31, 2016, respectively. Aggregating higher MAT credit entitlement of ₹ 3,421.1 million as at March 31, 2017 (previous year ended March 31, 2016 ₹ 2,408.6 million) 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 453.0 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.

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 million

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	**226.4**	320.6	312.9	**2,741.6**	2,472.2	2,624.8
Non-current Liabilities	**2,043.0**	-		**8,099.9**	5,572.7	5,218.6
Current Liabilities	**1,044.5**	2,056.5	2.8	**1,072.4**	2,958.8	3,354.7
Non-current Assets	**3,300.9**	2,263.4		**11,018.6**	10,811.9	11,051.4
Current Assets	**13.0**	113.7	315.7	**895.3**	191.8	146.8
	-	-		**-**	-	
Revenue	**32.6**	12.6		**2,635.5**	2,184.0	
Operating Expenses	**-**	-		**(531.0)**	(489.2)	
Terminal Royalty Expenses	**-**	-		**(437.3)**	(393.0)	
Employee Benefit Expenses	**-**	-		**(32.5)**	(29.8)	
Depreciation Expenses	**(99.2)**	-		**(591.4)**	(588.7)	
Other Expenses	**(2.0)**	- 0.7		**(62.1)**	(52.2)	
Finance charges	**(25.5)**	- 0.3		**(293.2)**	(489.9)	
Profit / (Loss) before tax	**(94.1)**	11.6	-	**688.0**	141.2	-
Income-tax expense	**-**	- 3.9		**(419.3)**	(293.9)	
Profit / (Loss) after tax	**(94.1)**	7.7	-	**268.7**	(152.7)	-
Capital and Other Commitments	**7,712.8**	-	-	**11,010.8**	12,025.9	0.1
Contingent liability not accounted for	-	-	-	**52.4**	-	-

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 T M 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 ₹ 1,062.7 million.

The fair value of the identifiable assets and liabilities of The Adani Harbour Services Private Limited as at the date of acquisition were:

₹ In million

Particulars	Fair Value Recognised on Acquisition
Assets	
Property, Plant and Equipment	593.5
Non Current tax assets (net)	4.7
Inventories	15.4
Trade Receivables	225.4
Cash and Cash Equivalents	10.7
Other Current Assets	9.1
Total Assets	**858.8**
Liabilities	
Trade Payables	0.8
Current Tax Liabilities (net)	0.6
Total Liabilities	**1.4**
Total identifiable net Assets at fair value	857.4
Goodwill arising on Acquisition	205.3
Purchase Consideration Transferred	1,062.7

From the date of acquisition, The Adani Harbour Services Private Limited has contributed ₹ 92.8 million and ₹ 48.5 million to the profit before tax of the Group. If the combination had taken place at the beginning of the year, revenue would have been ₹ 294.6 million and the profit before tax for the group would have been ₹ 159.7 million.

(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 AUD3.5 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 million
Assets		
Property, plant and Equipment	563,062	28.7
Inventories	3,934,443	200.5
Trade Receivables	6,718,496	342.3
Cash and Cash Equivalents	1,803,158	91.9
Other Current Assets	390,881	19.9
Total Assets	**13,410,040**	**683.3**
Liabilities		
Other Non Current Liabilities	3,283,816	167.3
Trade Payables	5,591,247	284.3
Other Current Liabilities	5,584,294	284.5
Total Liabilities	**14,459,357**	**736.1**
Total identifiable net liabilities at fair value	**(1,049,317)**	**(52.8)**
Goodwill arising on Acquisition (refer note (i) (ii) and (iii) below)	1,049,318	52.8
Purchase Consideration Transferred	1	-*

* Amount nullified on conversion to ₹ in million.

(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).

(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 ₹ 21.9 million 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 ₹ 93.8 million (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 ₹ 181.2 million (equivalent to AUD 3.65 million).

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Notes to the Consolidated Financial Statements for the year ended March 31, 2017

Note - 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 Million

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%	67,229.5	79.55%	31,114.7	145.96%	122.9	79.69%	31,237.6
Subsidiary Companies								-
Indian								-
The Dhamra Port Company Ltd.	23.13%	40,867.1	9.98%	3,904.3	4.16%	3.5	9.97%	3,907.8
Adani Hazira Port Pvt. Ltd.	14.94%	26,394.5	12.06%	4,715.4	3.56%	3.0	12.04%	4,718.4
Adani Petronet (Dahej) Port Pvt. Ltd.	4.60%	8,122.7	1.75%	683.8	-77.91%	(65.6)	1.58%	618.2
Adani Murmugao Port Terminal Pvt. Ltd.	1.87%	3,311.3	-0.20%	(78.4)	-0.12%	(0.1)	-0.20%	(78.5)
Adani Logistics Ltd.	2.70%	4,769.3	0.24%	93.1	1.19%	1.0	0.24%	94.1
Adani Vizag Coal Terminal Pvt. Ltd.	0.95%	1,680.1	-1.03%	(402.3)	0.24%	0.2	-1.03%	(402.1)
Adani Warehousing Services Pvt. Ltd.	0.00%	0.7	0.00%	(0.5)	-	-	0.00%	(0.5)
Adani Hospitals Mundra Pvt. Ltd.	0.02%	37.4	0.01%	3.1	-	-	0.01%	3.1
Mundra International Airport Pvt. Ltd.	0.01%	17.9	-0.03%	(13.6)	-	-	-0.03%	(13.6)
Mundra SEZ Textile And Apparel Park Pvt. Ltd.	-0.18%	(314.9)	-0.10%	(39.2)	-	-	-0.10%	(39.2)
MPSEZ Utilities Pvt. Ltd.	0.27%	480.8	0.02%	7.0	0.36%	0.3	0.02%	7.3
Adani Ennore Container Terminal Pvt Ltd	2.76%	4,877.9	0.00%	(1.4)	-	-	0.00%	(1.4)
Karnavati Aviation Pvt. Ltd.	0.50%	889.2	-0.07%	(28.3)	1.31%	1.1	-0.07%	(27.2)
Hazira Infrastructure Pvt. Ltd.	0.00%	(7.7)	-0.05%	(20.0)	-	-	-0.05%	(20.0)
Mundra LPG Infrastructure Pvt. Ltd	0.00%	(0.6)	0.00%	(0.1)	-	-	0.00%	(0.1)
Adani Kandla Bulk Terminal Pvt. Ltd.	4.94%	8,723.7	-2.34%	(913.4)	0.48%	0.4	-2.33%	(913.0)
Shanti Sagar International Dredging Pvt. Ltd.	0.00%	(0.3)	0.00%	(1.1	-	-	0.00%	(1.1
Adani Vizhinjam Port Pvt. Ltd	3.26%	5,750.7	-0.05%	(19.4)	-	-	-0.05%	(19.4)
Adani Kattupalli Port Pvt. Ltd	0.16%	285.5	-0.41%	(161.1	-	-	-0.41%	(161.1
Adani Dhamra LPG Terminal Pvt. Ltd.	0.01%	8.9	0.00%	(0.1)	-	-	0.00%	(0.1)
Mundra LPG Terminal Pvt. Ltd.	0.08%	149.1	0.00%	(1.5)	-	-	0.00%	(1.5)
Dhamra LNG Terminal Pvt. Ltd	0.50%	889.9	0.00%	-	-	-	-	-
Adani Petroleum Terminal Pvt. Ltd.	-0.01%	(11.1	0.00%	(0.1)	-	-	0.00%	(0.1)
Dholera Infrastructure Pvt. Ltd.	0.00%	(7.6)	-0.01%	(3.9)	-	-	-0.01%	(3.9)
Dholera Port and Special Economic Zone Ltd.	-0.01%	(24.5)	-0.01%	(3.0)	-	-	-0.01%	(3.0)
Adinath Polyfills Pvt. Ltd.	-0.01%	(17.6)	0.01%	5.4	-	-	0.01%	5.4
The Adani Harbour Services Pvt. Ltd.	-0.08%	(139.9)	0.12%	48.8	-	-	0.12%	48.8
		-		-		-		-
Foreign		-		-		-		-
Abbott Point Operations Pty Ltd.	0.73%	1,287.9	-0.10%	(39.6)	-	-	-0.10%	(39.6)
Abbott Point Bulkcoal Pty Ltd.	-0.15%	(261.4)	0.19%	73.7	-	-	0.19%	73.7
Minority interest in all subsidiaries	**0.79%**	**- 1,392.4**	**-0.26%**	**(100.2)**	-20.78%	**(17.5)**	-0.30%	(117.7
Jointly Controlled Entities (Investments as per equity method)		-						-
Indian								-
Adani International Container Terminal Pvt. Ltd.	-	-	0.48%	186.8	-	-	0.48%	186.8
Adani CMA Mundra Terminal Pvt. Ltd.	0.15%	271.3	-0.24%	(94.1)	-	-	-0.24%	(94.1)
Total	**100.00%**	**176,652.2**	**100.00%**	**39,115.2**	**100.00%**	**84.2**	**100.00%**	**39,199.4**

₹ In Million

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%	77,038.20	99.96%	28,958.60	100.24%	166.00	99.96%	29,124.60
Subsidiary Companies		-		-		-		-
Indian		-		-		-		-
The Dhamra Port Company Ltd.	6.11%	8,333.70	2.71%	786.30	-2.36%	(3.90)	2.69%	782.40
Adani Hazira Port Pvt. Ltd.	3.56%	4,851.50	7.61%	2,205.10	-2.48%	(4.10)	7.55%	2,201.00
Adani Petronet (Dahej) Port Pvt. Ltd.	5.90%	8,040.00	1.99%	575.80	8.70%	14.40	2.03%	590.20
Adani Murmugao Port Terminal Pvt. Ltd.	2.67%	3,632.80	-2.77%	(802.60)	-0.12%	(0.20)	-2.76%	(802.80)
Adani Logistics Ltd.	12.87%	17,539.80	0.06%	18.70	-0.12%	(0.20)	0.06%	18.50
Adani Vizag Coal Terminal Pvt. Ltd.	1.45%	1,976.90	-2.23%	(646.70)	-	-	-2.22%	(646.70)
Adani Warehousing Services Pvt. Ltd.	0.00%	(0.20)	0.00%	(0.20)	-	-	0.00%	(0.20)
Adani Hospitals Mundra Pvt. Ltd.	0.03%	41.90	0.02%	4.60	-	-	0.02%	4.60
Mundra International Airport Pvt. Ltd.	0.03%	44.70	-0.06%	(18.40)	-	-	-0.06%	(18.40)
Mundra SEZ Textile And Apparel Park Pvt. Ltd.	-0.03%	(43.50)	-0.20%	(58.30)	-	-	-0.20%	(58.30)
MPSEZ Utilities Pvt. Ltd.	0.05%	70.50	-0.14%	(39.50)	0.12%	0.20	-0.13%	(39.30)
Adani Ennore Container Terminal Pvt Ltd	3.04%	4,144.90	0.00%	(0.30)	-	-	0.00%	(0.30)
Karnavati Aviation Pvt. Ltd.	0.71%	964.00	-1.16%	(336.10)	0.30%	0.50	-1.15%	(335.60)
Hazira Infrastructure Pvt. Ltd.	0.01%	12.10	0.02%	5.00	-	-	0.02%	5.00
Mundra LPG Infrastructure Pvt. Ltd	0.00%	(0.50)	0.00%	(0.20)	-	-	0.00%	(0.20)
Adani Kandla Bulk Terminal Pvt. Ltd.	5.53%	7,532.10	-5.32%	(1,539.90)	-1.75%	(2.90)	-5.29%	(1,542.80)
Shanti Sagar International Dredging Pvt. Ltd.	0.01%	8.20	-0.01%	(2.30)	-	-	-0.01%	(2.30)
Adani Vizhinjam Port Pvt. Ltd	0.18%	239.30	-0.12%	(34.10)	-	-	-0.12%	(34.10)
Adani Kattupalli Port Pvt. Ltd	0.22%	302.80	-2.20%	(636.20)	-	-	-2.18%	(636.20)
Adani Dhamra LPG Terminal Pvt. Ltd.	0.00%	(0.50)	0.00%	(0.50)	-	-	0.00%	(0.50)
Mundra LPG Terminal Pvt. Ltd.	-0.01%	(6.90)	0.00%	(0.10)	-	-	0.00%	(0.10)
Dhamra LNG Terminal Pvt. Ltd	0.00%	(0.50)	0.00%	-	-	-	-	-
Adani Petroleum Terminal Pvt. Ltd.	-	-	0.00%	-	-	-	-	-
Dholera Infrastructure Pvt. Ltd.	-	-	-0.19%	(54.70)	-	-	-0.19%	(54.70)
Dholera Port and Special Economic Zone Ltd.	-	-	0.02%	4.60	-	-	0.02%	4.60
Adinath Polyfills Pvt. Ltd.	-0.02%	(28.20)	-0.06%	(18.80)	-	-	-0.06%	(18.80)
The Adani Harbour Services Pvt. Ltd.	-	-	0.00%	-	-	-	-	-
		-		-		-		-
Foreign		-		-		-		-
Abbott Point Operations Pty Ltd.	0.00%	(3.60)	-0.01%	(3.50)	0.00%	-	-0.01%	(3.50)
Abbott Point Bulkcoal Pty Ltd.	-	-	-	-	0.00%	-	0.00%	-
		-		-	0.00%	-	0.00%	-
Minority interest in all subsidiaries	**0.91%**	**1,239.60**	**-1.42%**	**(412.60)**	**2.54%**	**4.20**	**-1.40%**	**(408.40)**
		-		-		-		-
Jointly Controlled Entities (Investments as per equity method)		-		-		-		-
Indian		-		-		-		-
Adani International Container Terminal Pvt. Ltd.	0.00%	-	0.64%	185.00	0.00%	-	0.63%	185.00
Adani CMA Mundra Terminal Pvt. Ltd.	0.27%	365.40	0.03%	7.70	0.00%	-	0.03%	7.70
Total	**100.00%**	**136,294.50**	**100.00%**	**28,971.60**	**100.00%**	**165.60**	**100.00%**	**29,137.20**

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 ₹ 2000.0 million 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 ₹ 2,740.0 million 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 ₹ 10,623.3 million (previous year ₹ 4,930.0 million) 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.

43 a) The Company is carrying equity investment of ₹ 1,012.8 million and has outstanding net term loan of ` 2,900.9 million 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 ₹ 1,379.9 million 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 ₹ 1,225.0 million and has outstanding net term loans and advances of ₹ 11,705.1 million, 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 ` 3,971.6 million (excluding borrowings of ` 1,112.1 million) to TAHSPL at a consideration of ₹ 2,000.0 million (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 ₹ 3,576.4 million to TAHSPL at a consideration of ₹ 2,430.0 million 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 ₹ 268.0 million has been credited to General Reserve Account of the Company as per the directions mentioned in the court scheme.

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 million

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 01, 2015
The Dhamra Port Company Ltd	**25,593.1**	25,593.1	25,593.1
Adani Kandla Bulk Terminal Pvt Ltd	**0.6**	0.6	0.6
Abbot Point Bulkcoal Pty Ltd	**52.8**	-	-
The Adani Harbour Services Pvt Ltd	**205.3**	-	-
Adani Petronet (Dahej) Port Pvt Ltd	**2.2**	2.2	2.2
Adani Logistics Ltd	**27.1**	27.1	27.1
Adinath Polyfills Pvt Ltd	**374.2**	374.2	374.2
Dholera Port and Special Economic Zone Ltd	**-**	-	22.8
Goodwill relating to Merger of Mundra Port	**448.6**	448.6	448.6

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 million

Particulars	SBNs	Other Denomination notes	Total
Closing cash on hand as on November 08, 2016	**1.20**	**0.10**	**1.30**
(+) Permitted receipts (including Others as per note below)	**4.50**	**34.40**	**38.90**
(-) Permitted payments	**0.40**	**1.10**	**1.50**
(-) Amount deposited in banks	**5.30**	**33.10**	**38.40**
Closing cash on hand as on December 30, 2016	**-**	**0.30**	**0.30**

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 Rs. 4.2 million 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 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.

(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 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.

47.3 Reconciliation of equity as at April 01, 2015 and March 31, 2016

₹ in Million

Particulars	Foot Notes	March 31, 2016 (Last period presented under IGAAP)			April 01, 2015 (Date of transition)		
		IGAAP	Adjustments	Ind AS	IGAAP	Adjustments	Ind AS
Assets							
Non-current assets							
Property, plant and equipment	c,e,i	183,392.4	(18,726.4)	164,666.0	178,076.6	(18,568.1)	159,508.5
Capital work-in-progress	c,e,i	23,866.3	(4,198.7)	19,667.6	12,755.5	(1,886.2)	10,869.3
Goodwill	d	25,997.2	448.6	26,445.8	25,997.2	471.4	26,468.6
Other Intangible assets	c, l	1,125.7	16,594.7	17,720.4	1,195.1	16,378.2	17,573.3
Financial assets		-	-	-	-	-	-
Investments	g, l	2,078.9	2,006.1	4,085.0	573.5	1,721.9	2,295.4
Trade receivables		220.0	-	220.0	4,388.6	-	4,388.6
Loans	b	76,967.7	(47,828.3)	29,139.4	24,901.3	(24,389.9)	511.4
Other financial assets	b, l	-	21,393.7	21,393.7	-	6,032.2	6,032.2
Deferred tax assets (net)	j, l	0.7	14,225.9	14,226.6	-	8,763.0	8,763.0
Other non-current assets	b, l	13,380.6	4,516.4	17,897.0	5,025.5	2,236.4	7,261.9
		327,029.5	**(11,568.0)**	**315,461.5**	**252,913.3**	**(9,241.1)**	**243,672.2**
Current assets							
Inventories		2,137.4	(18.5)	2,118.9	2,591.9	(23.4)	2,568.5
Financial assets		-					
Investments	b	1,365.7	1.1	1,366.8	2,028.7	0.1	2,028.8
Trade receivables	b, l	19,436.9	(71.1)	19,365.8	12,877.7	284.3	13,162.0
Customers' bills discounted	b	-	4,995.1	4,995.1	-	4,496.7	4,496.7
Cash and cash equivalents	b, l	8,557.1	(127.1)	8,430.0	4,854.9	(402.6)	4,452.3
Bank balances other than above		4,352.4	-	4,352.4	1,482.9	-	1,482.9
Loans	b, l	23,359.7	(7,681.2)	15,678.5	36,598.0	(2,526.4)	34,071.6
Loans - Jointly controlled Entities	b, l	-	-	-	840.0	-	840.0
Other financial assets	b, l	-	5,999.6	5,999.6	-	3,610.1	3,610.1
Other current assets	b, l	7,406.0	885.3	8,291.3	6,634.5	(1,119.2)	5,515.3
		66,615.2	**3,983.2**	**70,598.4**	**67,908.6**	**4,319.6**	**72,228.2**
Total assets		**393,644.7**	**(7,584.8)**	**386,059.9**	**320,821.9**	**(4,921.5)**	**315,900.4**
Equity and liabilities							
Equity							
Share capital	f	4,170.0	(28.1)	4,141.9	4,168.2	(28.1)	4,140.1
Other equity		128,066.3	2,846.7	130,913.0	103,510.5	5,154.2	108,664.7
Equity attributable to equity holders of the parent	Refer note 47.4.2	**132,236.3**	**2,818.6**	**135,054.9**	**107,678.7**	**5,126.1**	**112,804.8**
Non-controlling interests	b,e	1,428.8	(189.2)	1,239.6	1,589.8	(201.8)	1,388.0
Total equity		**133,665.1**	**2,629.4**	**136,294.5**	**109,268.5**	**4,924.3**	**114,192.8**
LIABILITIES							
Non-current liabilities							
Financial liabilities							
Borrowings	b, l	163,055.6	(4,858.9)	158,196.7	138,497.8	(5,278.4)	133,219.4
Other financial liabilities	b	-	993.5	993.5	-	3,240.5	3,240.5
Provisions		730.7	(682.7)	48.0	2,927.8	(2,887.8)	40.0
Deferred tax liabilities	j	10,665.3	(8,453.9)	2,211.4	8,590.2	(7,401.6)	1,188.6
Other non-current liabilities	b, l	6,063.5	3,281.0	9,344.5	6,845.6	3,547.3	10,392.9
		180,515.1	**(9,721.0)**	**170,794.1**	**156,861.4**	**(8,780.0)**	**148,081.4**
Current liabilities							
Financial liabilities							
Borrowings	b	31,941.6	(603.5)	31,338.1	13,055.5	(168.7)	12,886.8
Customers' bills discounted	b	-	4,995.1	4,995.1	-	4,496.7	4,496.7
Trade and other payables	l	4,048.4	(15.5)	4,032.9	3,623.4	(66.6)	3,556.8
Other financial liabilities	b	-	34,678.1	34,678.1	-	28,746.4	28,746.4
Provisions	i	999.3	(389.3)	610.0	4,799.4	(4,394.0)	405.4
Liabilities for current tax(net)		-	309.6	309.6	-	430.4	430.4
Other current liabilities	b,e,l	42,475.2	(39,467.7)	3,007.5	33,213.7	(30,110.0)	3,103.7
		79,464.5	**(493.2)**	**78,971.3**	**54,692.0**	**(1,065.8)**	**53,626.2**
Total liabilities		**259,979.6**	**(10,214.2)**	**249,765.4**	**211,553.4**	**(9,845.8)**	**201,707.6**
Total equity and liabilities		**393,644.7**	**(7,584.8)**	**386,059.9**	**320,821.9**	**(4,921.5)**	**315,900.4**

Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016

₹ in Million

Particulars	Foot Note	March 31, 2016		
		IGAAP	Adjustment	Ind AS
Income				
Revenue from operations	l	72,557.3	(1,470.8)	71,086.5
Other income	e, l	6,848.2	478.5	7,326.7
Total income		**79,405.5**	**(992.3)**	**78,413.2**
Expenses				
Operating expenses	a, l	17,918.1	434.9	18,353.0
Employee benefits expense	j, e, d, l	2,821.7	(63.6)	2,758.1
Depreciation and amortization expense	b, l	10,794.4	(164.8)	10,629.6
Foreign Exchange (Gain)/Loss (net)	b, l	1,049.4	(546.4)	503.0
Finance costs				
- Interest and Bank Charges		11,683.5	252.6	11,936.1
- Derivative Loss/ (Gain) (net)		(693.1)	-	(693.1)
Other expenses	b, l	4,262.9	(530.8)	3,732.1
Total expenses		**47,836.9**	**(618.1)**	**47,218.8**
Profit before tax		**31,568.6**	**(374.2)**	**31,194.4**
Tax expense:				
Current tax	l	7,333.6	(34.0)	7,299.6
Adjustment of tax relating to earlier periods		(2.7)	-	(2.7)
Deferred tax	j, i	2,074.3	(407.1)	1,667.2
Less: Tax (credit) under MAT		(6,136.0)	-	(6,136.0)
Total tax expense		**3,269.2**	**(441.1)**	**2,828.1**
Net Profit after tax and before share of profit/(loss) from jointly controlled entities		**28,299.4**	**66.9**	**28,366.3**
Share of profit from jointly controlled entities	l	(46.8)	239.5	192.7
Profit for the year		**28,252.6**	**306.4**	**28,559.0**
Attributable to:				
Equity holders of the parent		28,673.6	298.0	28,971.6
Non-controlling interests		(421.0)	8.4	(412.6)
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		-	(33.8)	(33.8)
Income tax impact		-	11.7	11.7
		-	**(22.1)**	**(22.1)**
Net Gains on FVTOCI Equity Investments		-	231.6	231.6
Income tax impact		-	(39.7)	(39.7)
		-	**191.9**	**191.9**
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods			169.8	169.8
Other Comprehensive Income for the year		**-**	**-**	**-**
Total comprehensive income for the year, net of tax		**28,252.6**	**476.2**	**28,728.8**
Attributable to:		-	-	-
Equity holders of the parent		28,673.6	463.6	29,137.2
Non-controlling interests		(421.0)	12.6	(408.4)

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 Million

Sr No	Nature of Adjustments	For the year ended March 31, 2016
	Net Profit as per Previous GAAP	28,673.6
i)	Re-measurement cost of net defined benefit liability (refer note (a) below)	22.0
ii)	Net gain/(loss) on financial assets / liabilities fair valued through statement of profit and loss (refer note (b) below)	71.4
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)	(51.3)
iv)	Reversal of amortisation of goodwill (refer note (d) below)	28.1
iv)	Measurement of Grant as deferred income (refer note (e) below)	10.2
v)	Finance cost on liability component of Preference Shares (refer note (f) below)	(62.3)
vi)	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)	110.8
vii)	Deferred tax impact on Ind AS adjustments (refer note (j) below)	169.1
	Total	298.0
	Net profit before OCI as per Ind AS	28,971.6
	Other comprehensive Income (net of tax)	165.6
	Total comprehensive income as per Ind AS	29,137.2

47.4.2 Reconciliation of total equity

₹ in Million

Sr No	Nature of Adjustments	As on April 01, 2015	As on March 31, 2016
	Equity as per Previous GAAP	**107,678.7**	**132,236.3**
	Add:		
i)	Fair Valuation of Financial Assets and Liabilities (refer note (b) below)	(173.4)	(119.5)
ii)	Fair Valuation of Equity Investments through OCI (refer note (g) below)	1,167.6	1,355.3
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)	994.9	943.6
iv)	Reversal of Goodwill Amortisation (refer note (d) below)	22.8	28.1
v)	Reclassification of grant and its amortisation (refer note (e) below)	(233.9)	(161.0)
vi)	Adjustment for uniform Accounting Policy (refer note (i) below)	(141.1)	(136.5)
vii)	Fair valuation of preference shares (refer note (f) below)	(1,435.8)	(1,477.5)
viii)	Reversal of Proposed Dividend and dividend distribution Tax thereon (refer note (h) below)	2,740.6	-
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)	474.2	641.8
x)	Other Adjustments	-	(90.6)
xi)	Deferred Tax on Ind AS adjustments (refer note (j) below)	1,710.2	1,834.9
	Total adjustments	**5,126.1**	**2,818.6**
	Equity as per Ind AS to the extent pertaining to equity shareholders of parent	112,804.8	135,054.9

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.

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 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 Million

Sr. No.	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 Interest	 **5.6** **Nil**	 3.9 Nil	 3.7 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

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 noncash 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 Privte 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]

Dipti Shah
[Company Secretary]

Place : Ahmedabad
Date: May 24, 2017

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