adani™

Engineered for the future

Adani Ports and Special Economic Zone Limited

Annual Report 2015-16

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In less than two decades, we have built, acquired and developed an unparalleled portfolio of ports infrastructure and services across India - for India.

Adani Ports and Special Economic Zone Limited is India's largest ports developer and operator company; our ten strategically located ports and terminals represent 24% of the country's port capacity, handling cargo of vast hinterland, demonstrating that when it comes to servicing core national needs, Adani Ports is prepared with scale, scope and speed.

Entrepreneurial spirit and execution expertise have been central to our success.

We do not intend to stand still: our ambition for the next decade is even greater.

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Engineered for the future

APSEZ in 2015-16 – A snapshot

152 MMT
Cargo handled
(tonnes)

5% growth over
2014-15

7,941
Consolidated Total Income
(₹ crore)

16% growth over
2014-15

4,651
EBIDTA
(₹ crore)

19% growth over
2014-15

2,867
Consolidated net profit
(₹ crore)

24% growth over
2014-15

13.85
Earnings per
share (₹)

24% growth over
2014-15

15.54
Return on
assets

263 bps growth
over 2014-15

APSEZ is not only India's biggest private sector port infrastructure company; it compares favourably with its global peers.

APSEZ is growing fast: India is growing fast: that makes our company one of the fastest growing port infrastructure companies in the world.

APSEZ has the largest capacity:
A widening footprint.
Quickest commissioning tenures.
Wide national presence.
Lowest operating costs.

We are ...' Engineered for the future.'

Group overview

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

The US$10 bn Group has interests across resources (coal mining and trading), logistics (ports and logistics, shipping and rail), energy (renewable, thermal power generation and transmission), agro commodities and ancillary industries.

Company overview

We have a leading ports business in India. Our presence in ten domestic ports form a strategic string of pearls around the Indian coastline. We also provide logistics and infrastructure that moves goods from the port to customers. Our cargo handling touches all sectors of India's economy - so our growth is also India's. Central to our success has been entrepreneurship, execution expertise and our committed people. Our vision is to lead globally, be admired and trusted for our enterprise, innovation and scale.

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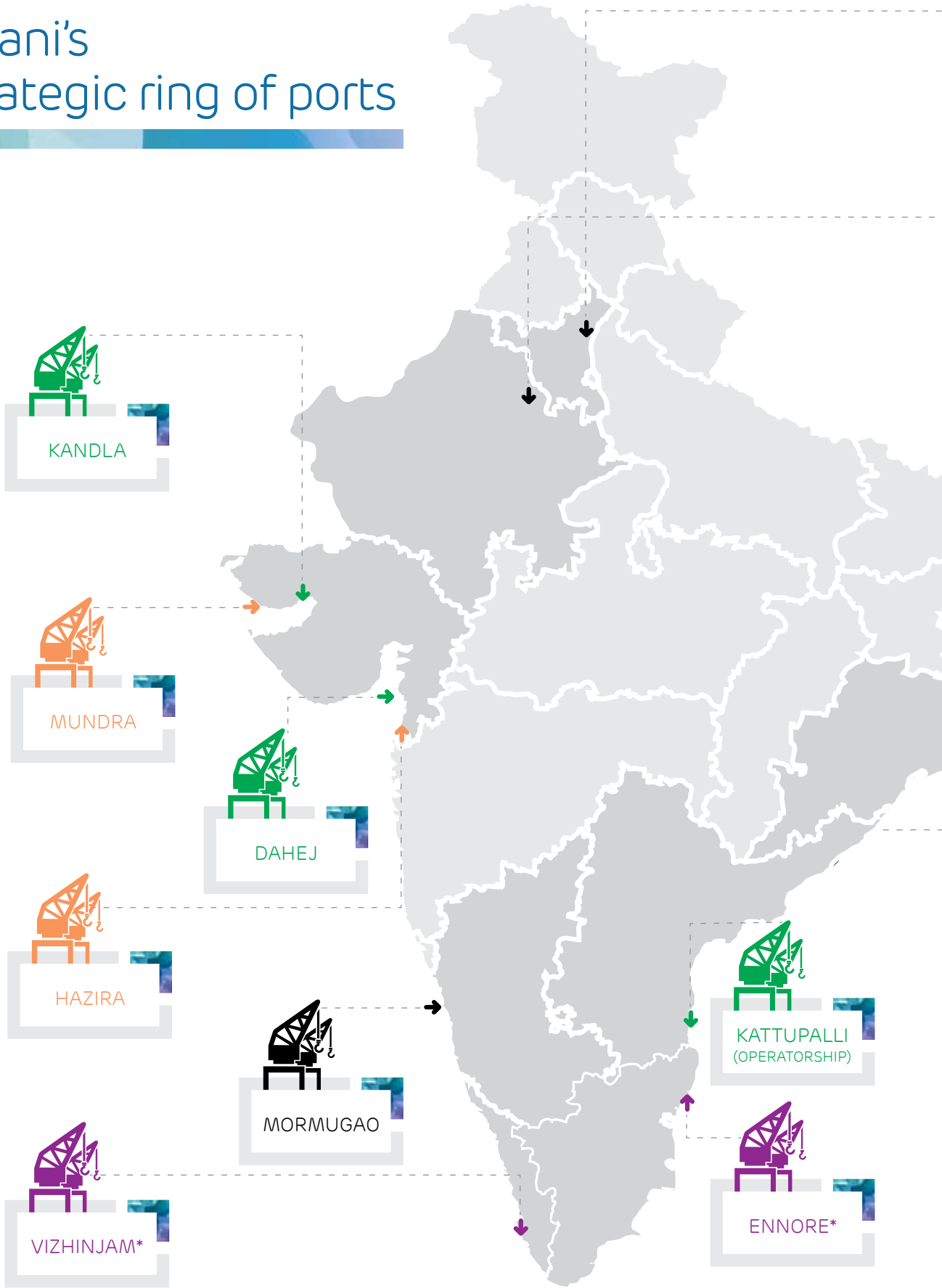
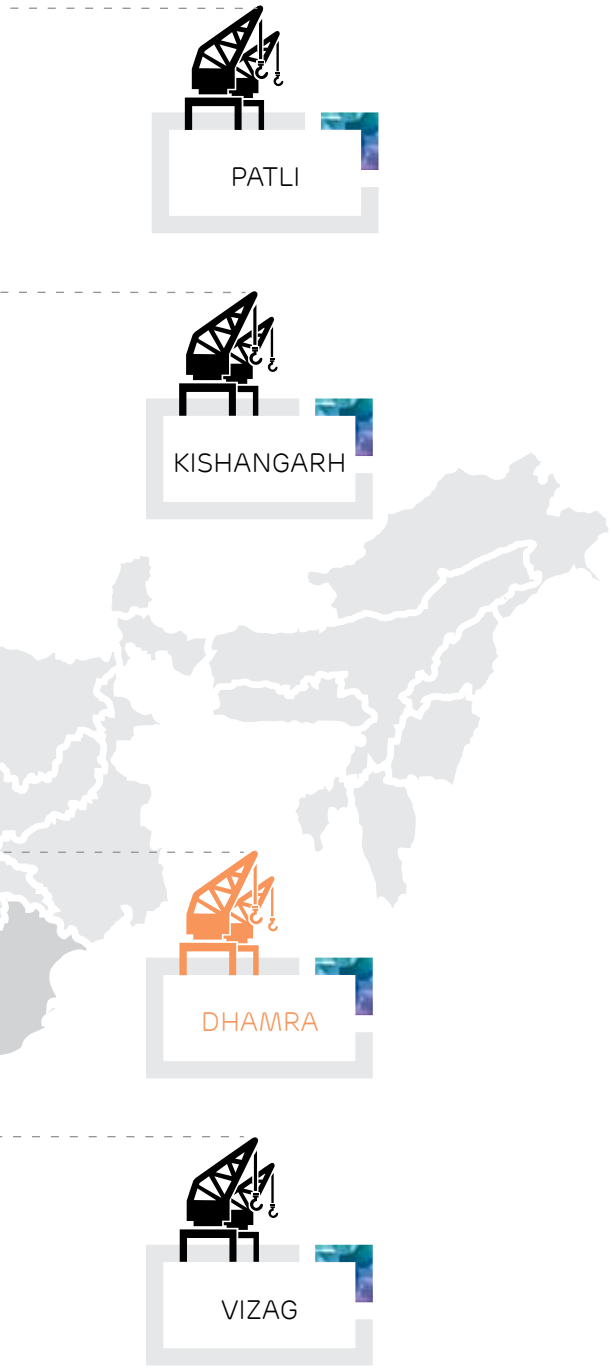
Adani's strategic ring of ports



* Under construction



- Multipurpose Terminals
- Bulk Terminals
- Coal Terminals
- Container Terminals
- Kattupalli (Operatorship)

Adani Ports: Pioneer on multiple fronts

- No. 1 commercial port company of India
- One of the longest private railway lines of India for seamless cargo evacuation
- Only port company with a captive dredging model comprising the largest number of dredgers (#16)
- Largest port-based Special Economic Zone in India
- Only Indian port company to be included in C40 ports for responsible carbon emission & environment conservation

Vision

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

Values

Courage

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

Trust

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

Commitment

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

Culture

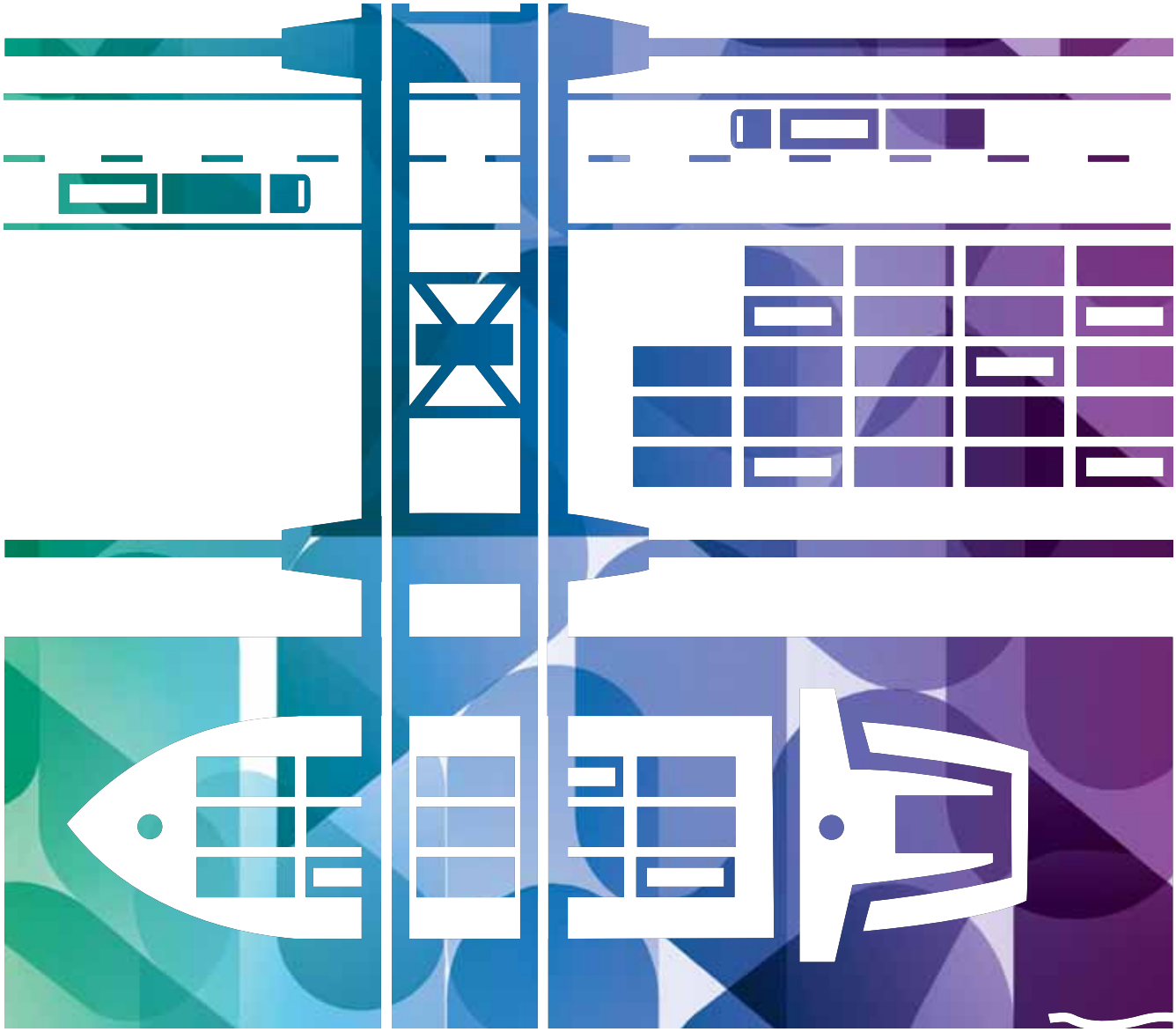
Passion: Performing with enthusiasm and energy

Results: Consistently achieving goals

Integration: Working across functions and businesses to create synergies

Dedication: Working with commitment in the pursuit of our aims

Entrepreneurship: Seizing new opportunities with initiative and ownership



10 Number of ports, 2015-16	335 Capacity, 2015-16 (MMTPA)	>90% India's hinterland access	42 Berths
16 Terminals	2 Single-point mooring facilities	3 Inland container depots	1 SEZ
8481 Notified SEZ Land (Ha)	56% Promoter's holding (March 31, 2016)	38% Institutional holding (March 31, 2016)	6% Public (March 31, 2016)

Dear shareholders,

"DOUBT IS NOT A PLEASANT CONDITION, BUT CERTAINTY IS ABSURD" WAS SAID BY VOLTAIRE, THE FAMOUS FRENCH PHILOSOPHER.

TODAY, WHILE THE GLOBAL MARKETS SEEK SOME DEGREE OF CERTAINTY WITHIN A HIGHLY VOLATILE ENVIRONMENT, INDIA HAS EMERGED AS A BEACON OF HOPE ESPECIALLY AS THE OTHER BRIC NATIONS START TO SLOW DOWN OR STAY IN RECESSION. THE NEXT DECADE COULD WELL BE INDIA'S DECADE IN THE WORLD.

When the Adani Group's foray into ports was initiated in 1998, little did we know then that in just 18 years we would become the nation's largest ports and logistics player. The capabilities we now have in place, the current economic position of India, and the speed with which the Government has moved on the policy front has opened up several opportunities for us and placed us well to take advantage of India's strategic position within the global shipping network.

We thus grew from a single port company to 10 ports in a short span covering the entire coast line of India. We have the ports of Mundra, Kandla, Hazira, Dahej and Murmugao in the west, Dhamra and Vishakhapatnam in the east and Ennore in the South. This together with signing of definitive agreement to acquire Kattupalli in Tamil Nadu, and the port under development at Vizhinjam, gives us a significant strategic advantage and an opportunity to serve our customers on a pan India basis.

These deep draft ports act as strategic hubs that provide unmatched connectivity to different inland spokes like warehouses, silos and inland container depots. This allows us to create an integrated logistics network to connect our 10 ports with customers deep in the hinterland, transforming us into a larger holistic services provider. This reality is without precedent in India and plays to the strength of the core capabilities that the Group already possesses.

Next is our effort to bypass India's congested roads and railways with a coastal shipping strategy that the Government is strongly advocating. This is a greener solution and helps add much-needed capacity to India's rail and road network. From a business perspective, this augments our revenues and margins as APSEZ benefits from loading and unloading charges at ports on both sides as well as gains other revenue streams associated with marine and logistics charges.

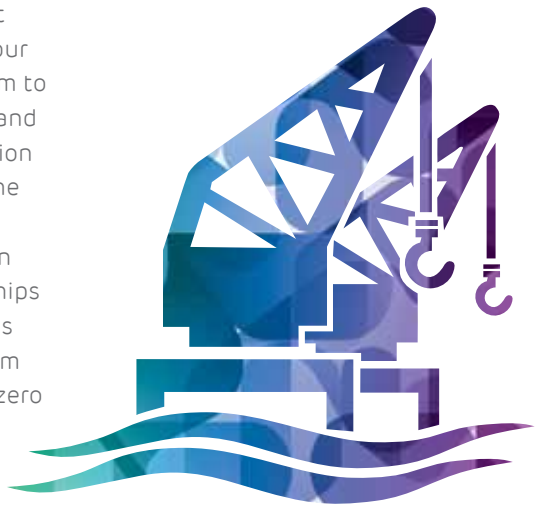
Yet another opportunity we are strongly positioned to capitalise on is container transhipment. Our network of container ports is unmatched in the country. This is further augmented through joint ventures with two of the world's largest shipping lines, MSC and CMA CGM, thereby giving us the advantage of having partners who can capitalise on the different staging points we offer across India's coastline, with best access to countries within and beyond our subcontinent.

We have several other exciting initiatives at various stages of development. This includes a globalisation strategy to expand our ports and logistics footprint, a top management strategy that focuses on the growth and development of in-house talent, ramping up our business transformation program to continue enhancing processes and take advantage of next generation technologies. We believe that the latter will drive a new phase of process efficiency, an innovation program that includes partnerships with some of the top universities of the world and a green program that will see us make our ports zero discharge on every front.

While the business continues to perform strongly, our proudest moments come from the stories we hear about the lives we have had the opportunity to influence. Adani Foundation's education programs have already touched the lives of over 150,000 young students; our healthcare programs touch the lives of over 200,000 people every year, the sustainable livelihood programs have made over 35,000 people and their entire families self-reliant and the Foundation has improved the lives of over 500,000 people across 177 villages by providing better roads, drinking water and other basic facilities. We are grateful to have been given this opportunity.

The days ahead are exciting and I would like to thank our customers, employees, shareholders, bankers, governments and the Board for making 2015-16 another excellent year.

Gautam Adani
Chairman, Adani Group



THIS REVIEW IS MY FIRST AS YOUR CEO, SO I EXTEND A WARM WELCOME TO OUR EMPLOYEES, SHAREHOLDERS, PARTNERS WHO SUPPORT APSEZ AND THE COMMUNITIES IN WHICH WE OPERATE.

We started this new business year from a position of strength that comes from being India's largest ports infrastructure and logistics company.

APSEZ operates strategically located ports along India's 7,500 kilometre coastline. We make trade happen and are a big part of the chain that links ports to factories, power plants, commodities and ultimately Indian consumers.

We are creating wealth and value, supporting jobs and communities not just around us but also across India: the goods and commodities that leave our ports reach 90% of India's economy.

I believe our depth of talent, experience and execution skills, combined with our ability to apply new ideas and technology, will set us apart not only in India, but in the world at large as one of the best run ports and logistics companies.

Performance in Financial Year '16

APSEZ delivered another strong financial performance last year. With total operating income topping US$ 1 billion for the first time on a consolidated basis, our income increased 16% to ₹7,941 crore (FY2015: ₹6,838 crore). EBIDTA margin increased 19% to ₹4,651 crore (FY2015: ₹3,902 crore) .Profit after tax increased 24 percent to ₹2,867 crore (FY2015: ₹2,314).

These strong financials stem from

our robust operations. Cargo throughput and container handling improved and outperformed our peers in India. The total cargo handled by all Adani ports rose 5% to 152 MMTs, including 3.35 million Twenty-Foot Equivalent Units (TEUs), which increased 17%. For the first time, volume growth at our eastern ports, at 23%, exceeded that on the west coast. Dhamra, Vizag and Kattupalli ports led the way, reflecting private ports' growing share of the overall cargo movement.

Coal volumes declined by 8% compared to the previous year, due to a fall in imported coal; container volumes increased 17% and crude and petroleum volumes rose 35%. Containers now account for 32 % of our total cargo, up from 29 % a year earlier, reflecting our success in diversifying and reducing an over-reliance on any one type of cargo across our ports portfolio.

During the year, APSEZ started the process to acquire Kattupalli Port from L&T Shipbuilding. The deal awaits completion but in the four-month period after APSEZ became Kattupalli's operator, volumes at the port in Tamil Nadu rose from 7,900 TEUs per month to more than 11,500 TEUs per month.

We are proud to say that APSEZ became the only Indian infrastructure company to be assigned an international investment grade rating from the three major international ratings agencies: BBB- by Standard & Poor's, BAA3 by Moody's and BBB- by Fitch Ratings.

In July 2015, APSEZ raised US$650 million through its first dollar-denominated bond issue, receiving an overwhelming response from foreign investors. Significantly, this was the largest bond issue by an Indian infrastructure company. The proceeds were used to repay our existing foreign currency-denominated external commercial borrowings and to fund capital expenditure projects.

Priorities for the year ahead

Our priorities will be to improve margins as well as bottomlines and efficiencies through the enhanced use of technology, diversifying our cargo mix, boosting capacity utilization and lowering finance costs.

We will continue to grow container volumes to reduce our dependence on individual commodities. A good example of this will be the commissioning in FY17 of Mundra's CT4, a joint venture with CMA–CGM, making Mundra the largest container port in India. Capacity utilisation will also increase at our other western ports at Tuna-Tekra, Goa and Hazira. At Dhamra, Dahej and Kattupalli, we will introduce facilities to handle fertilizer and agro products, which will offset a potential decline in imported coal volumes.

The use of technology and innovations to improve productivity and create new growth opportunities is increasingly setting us apart from competitors. We will continue to embed technology in all aspects of our business to enhance ports efficiency and enhance our ability to become a connector of logistics services across the trade supply chain, thereby enhancing efficiencies for customers and ourselves.

We also intend to maintain our conservative debt-to-equity ratio, while our capital expense will reflect our strategic priorities.

Our strategy

The APSEZ strategy is clear. We are developing a world-class portfolio of ports and allied logistics across India to:

- Capture the benefits of India's emergence as a global container transhipment hub
- Develop the immense opportunity in coastal shipping that moves cargo from east to west India (avoiding India's congested roads and railways)
- Position APSEZ as a business partner and integrated logistics business rather than simply a port services provider

An example of the first of these strategic aims was our investment to develop India's first international deep water seaport at Vizhinjam in Kerala, with the state government. Vizhinjam will help position India as a competitive global transhipment hub and stake a claim to the annual one million-plus TEUs of Indian cargo transhipped through foreign ports like Colombo in Sri Lanka.

Similarly, work is under way to expand the Adani International Container Terminal (AICTPL) in Mundra. AICTPL is a joint venture with Terminal Investment (part of Swiss-based Mediterranean Shipping Company, the second largest shipping liner in the world). The project aims to create a transhipment hub for the Middle East, South Asia and India with a

Tied-up cargo as well as partnership cargo grew 6% in 2015-16, accounting for about 72% of the total Mundra port volumes.

total quay length of 1,460 meters and cargo handling capacity of 3.1 million TEUs. Construction is due to conclude next year when the terminal will be capable of handling 18,000 TEU container vessels, with a cumulative capacity of 6.6 MMT.

APSEZ ports and our proposed development of associated logistics will benefit from several public infrastructure projects in India designed to stimulate industrial activity. The most significant of these proposals is Sagarmala, a government initiative to revitalise India's coastal shipping and inland waterways, which retain the potential to handle 30 MMT of cargo, improve port connectivity with rail and road and stimulate the emergence of manufacturing clusters near major ports. Our ports will gain from the activity that comes with improved connectivity, notably due to APSEZ's unique ability to recognise volume and revenue twice: as cargo departs our eastern ports, and when it arrives on the other side of the country.

Dhamra will be an important feeder port for the coastal shipping of coal from the east to south and west coasts of India, while all our ports will benefit from traffic growth resulting from their proximity to the newly-formed Coastal Economic Zones proposed under Sagarmala. APSEZ can add capacity at Mundra, Hazira and Dhamra, enabling these ports to benefit from the longer-term growth opportunities presented by Sagarmala.

I believe these activities will accelerate us towards our strategic destination: a fully-integrated logistics business. We possess a strong experience in developing logistics hubs, including two Export Import (EXIM) yards and two Inland Container Depots (ICDs), with a third ICD (Punjab), due to start operations this year. These hubs, together with a container transportation network made possible by APSEZ's eleven private rail rakes, are helping our ports expand hinterland connectivity while reducing congestion across India's strained and inadequate road network.

At APSEZ, we will do all of this in a way that is safe and sustainable – for the economy, for the environment and for the neighbouring communities across our operations. That means making APSEZ a business in which our people are proud to work, and where education, health and career development go hand-in-hand with ambition and expansion.

Outlook for 2016

Our outlook for 2016 reflects confidence in our business and the Indian economy. Cargo volumes are forecast to grow 10-15%, with profit after tax also expected to rise 10-15%. APSEZ's greater capacity positions the company attractively to capitalize on growth in domestic and external trade as well as the increased need for logistics infrastructure in India.

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

Our vision for a sustainable business At APSEZ, we have a clear set of guiding principles for the business:

Nation building

APSEZ's strategic objectives align with national infrastructure priorities, enabling us to be a significant contributor to the development of our country.

Our pan-India port presence supports the country's growing cargo handling needs, decisively helping to drive industry and commercial activity towards India.

With our string of port assets, we are the only Indian company suitably positioned to capitalise on India's marine transportation priorities firmly positioning India on the global transhipment map.

Investment

We believe in the contrarian approach of investing to grow and create markets, rather than merely servicing demand.

Today, APSEZ is India's largest commercial port developer and operator having around 24% of the country's total cargo handling capacity.

Integration

The ports are our pivotal assets around which we build ancillary services to transport cargo seamlessly across India, from the port to our customer's door.

We occupy the complete logistics chain – from vessels management to anchorage to handling, storage and cargo evacuation. From a company focused on creating port capacity, APSEZ has evolved into a provider of integrated port infrastructure services.

APSEZ's evolution has enabled it to enter into alliances with leading Indian businesses to provide complete logistics solutions.

De-risking

We have expanded, diversified and de-risked our business, reducing an over-reliance on a single cargo type.

We have de-risked our business by handling a balanced complement of coal, crude oil, containers and other cargo.

We will soon commission our fourth container terminal at Mundra, which will make Mundra the largest container port in India.

Long-term view

Our ambition is to create a sustainable and globally competitive business.

Our port and SEZ in Mundra create significant opportunities for companies wishing to commission port-based manufacturing facilities, and capitalise on related logistics and market advantages.

Partnerships

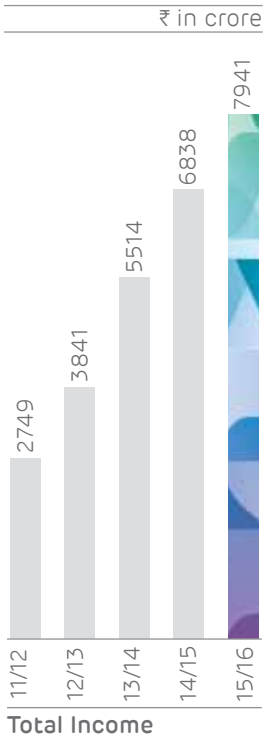
By creating an attractive business environment, we are seen as more than just a ports service provider –a reliable business partner.

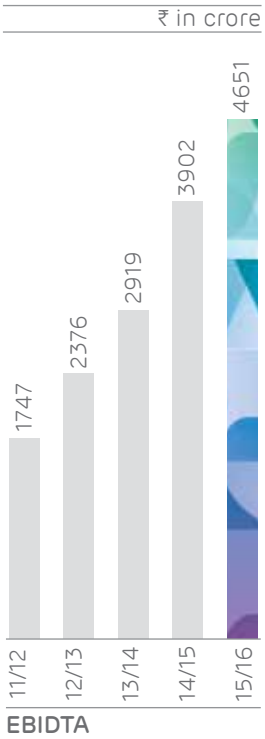
Through our partnerships with leading global shipping liners, we have reduced their logistic expenses through shared infrastructure ownership in exchange for assured multi-year revenues.

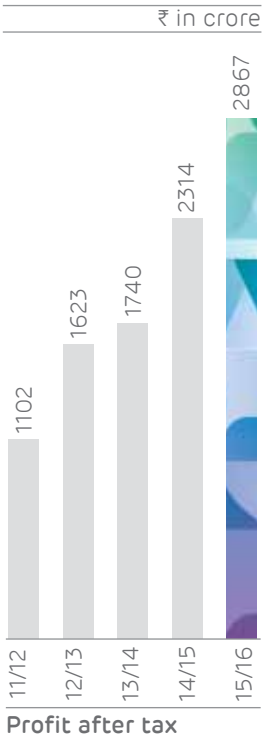
Currently, DP World operates a container terminal in Mundra (CT-1) while the world's second-largest global shipping line, Mediterranean Shipping Company, in joint venture with APSEZ started operating a terminal at Mundra in 2014 (CT-3) and is in the process of expanding its facilities (CT 3 extension). CMA CGM, the world's third-largest shipping line, is partnering APSEZ to build a new container terminal at Mundra (CT-4). These partnerships bring with them prospects of a sizeable increase in international traffic.

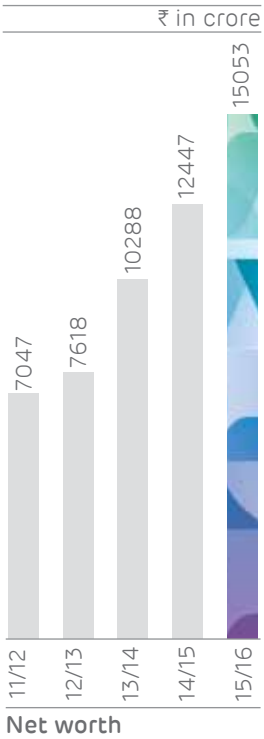
Financial performance as on 31.03.2016

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

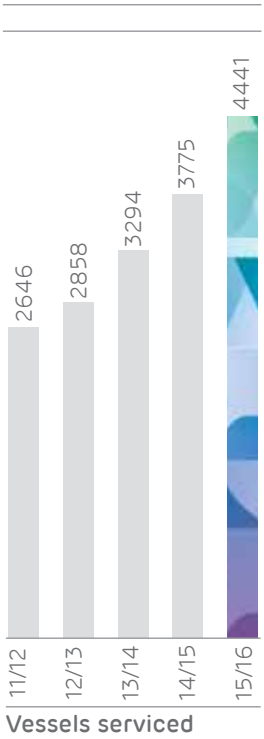


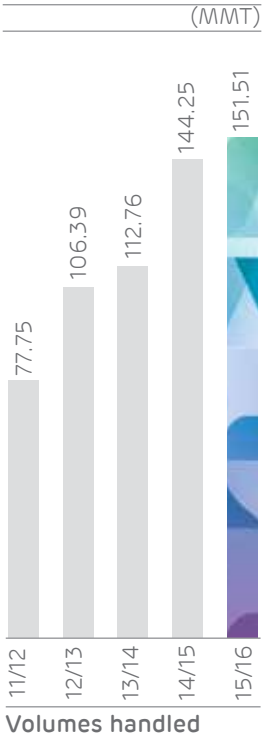


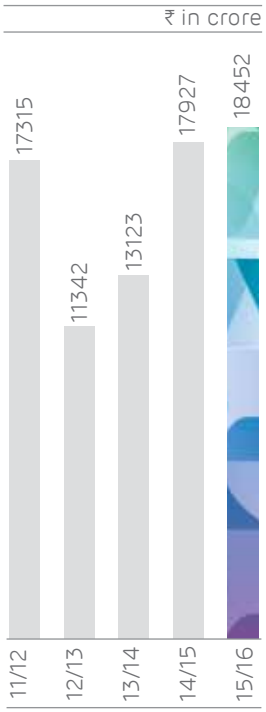




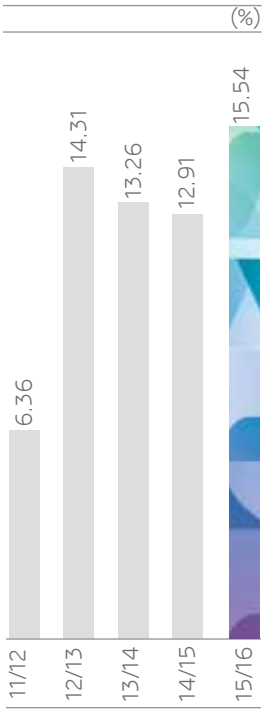
Operational performance



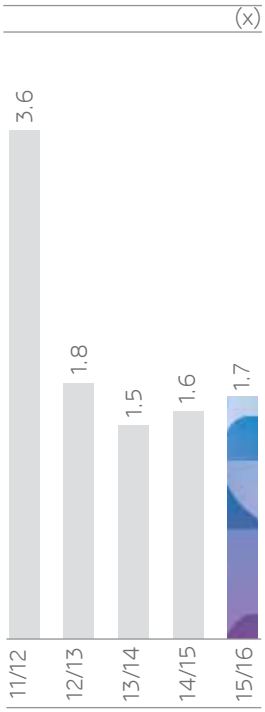




Net fixed assets



Return on assets



Debt-equity ratio

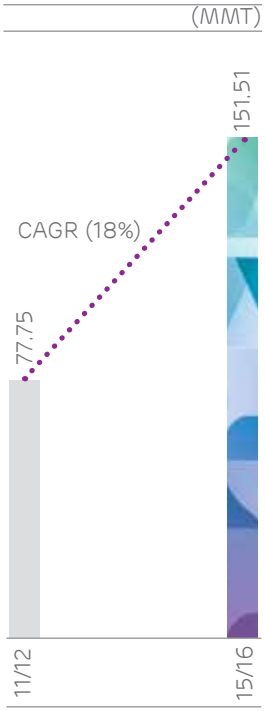
16%
Revenue growth over 2014-15

19%
EBIDTA growth over 2014-15

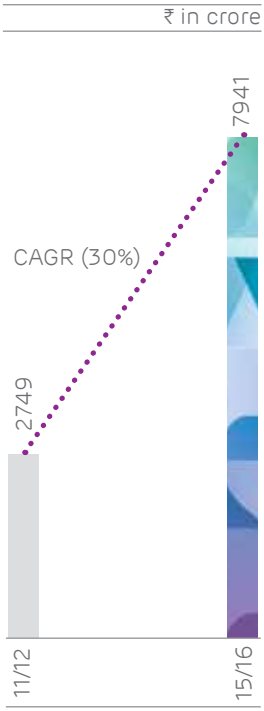
24%
Profit after tax growth over 2014-15

21%
Net worth growth over 2014-15

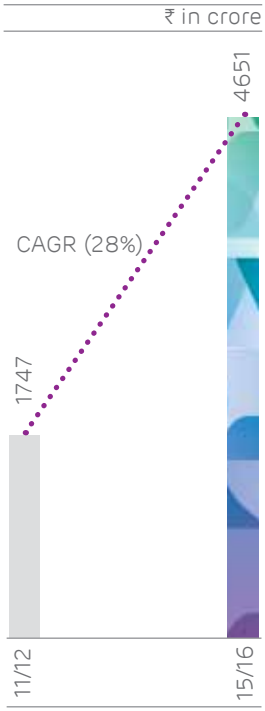
Note: During the Financial Year 2012-13, the Company has divested its stake in Abbot Point Coal Terminal.



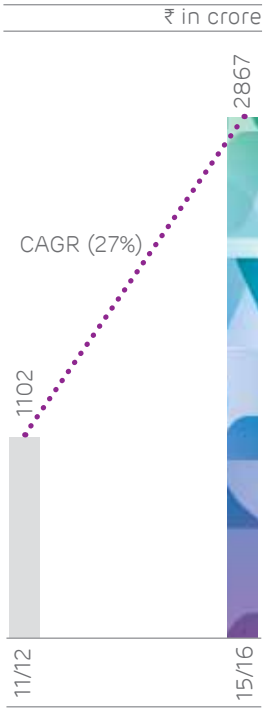
Cargo handled



Revenue



EBIDTA



Net profit

The Adani approach to **corporate responsibility**

Overview

At APSEZ, our projects are aligned with the nation-building goal of Adani Group. As a responsible Business Group, APSEZ dedicates itself to the communities in which it works along with 10,400 Group employees. Apart from the general employee well-being and welfare, APSEZ strives towards 'Zero Harm' status across all its operating locations. Safety is ensured through a series of initiatives by the Company. These include codifying plant-wise safety targets, enforcing robust incident reporting systems and enhancing safety awareness through classroom training sessions and internal communication protocols.

Adopting a pro-people, bottom-up, participatory approach in rendering CSR services, APSEZ (under the aegis of the Adani Foundation) works towards planning initiatives, indigenous in nature, bridging the gaps in existing services delivered by the government. It devotes significant time and resources to support, empower and help grow the communities that neighbour its operations. The CSR programmes and initiatives by the Foundation are process-driven, environmentally responsible, transparent and replicable in order to maximise public benefits.

Adani Foundation focuses on four core areas: education, community health, sustainable livelihood and rural infrastructure development. Working closely with the communities, it assumes the role of a facilitator by creating an enabling environment for numerous families. Currently operational in 12 states, Adani Foundation reaches out to 4 lac-plus families from 1470 villages and towns of India with a human-centric approach to make the processes sustainable, transparent and replicable.

APSEZ supports several educational, community health, livelihood and rural infrastructure development initiatives of the Foundation across various locations like Mundra, Ahmedabad, Dhamra, Tiroda, Udupi, Surguja, Kawai and Chhindwara.

In 2015, APSEZ was ranked 76 out of 700 companies in the 'Great Places to Work®' survey in India.

Our major CSR initiatives

Education

Adani Foundation believes that Education represents the stepping stone to improve the quality of life, especially for the poor and the vulnerable. The ideology behind the education initiatives lies in the essence to transform lives through the continuous enhancement of knowledge and empowerment. The objective behind the education initiative is to provide 'quality' education to all, along with a unique learning experience to young minds.

Adani Vidya Mandir

The Foundation has invested resources in Mundra. Adani Vidya Mandir (AVM) Bhadreshwar (Gujarat), a school under the aegis of Adani Foundation, was developed with a unique concept to provide free quality education to students from underprivileged backgrounds. In the last academic year, the school comprised 379 students, with 111 students from fishing communities. Besides regular curricular, co-curricular and extra-curricular activities, the school ensured additional coaching for students to make them cope with the syllabus and other pupils.

In Surguja (Chhattisgarh), Adani Vidya Mandir was established in 2013 for project site children. The school runs on the same model as other AVMs and provides free quality education to the under-privileged children of the region. The school had strength of 381 students.

There were various government schools supported by Adani Foundation for infrastructure and school material. Subsidised schools like DPCL DAV Public School in Dhamra region (Odisha) catered to nearly 300 students from the periphery villages. The school provided them quality English-medium education at subsidised costs.

Other educational initiatives

During 2015-16, a total of 7,827 students from 27 schools completed the M-KEN project successfully, wherein students who were weak in reading and writing were provided assistance.

The career guidance programme, Disha, benefited 2,797 students from 21 government schools of Mundra (Gujarat) and 131 students from three high schools in Tiroda (Maharashtra). In order to impart soft skill and social skill among students, project Parvarish was implemented benefitting 300 students from 16 government schools.

To enhance learning ability, the e-learning software was installed in 20 schools on a pilot basis. Another 10 schools have been brought under the purview of this programme, after receiving a tremendous response.

Project UDAAN

Udaan is a learning-based initiative focusing on youth from various schools across the state. Under this project, a two day-long free-of-cost exposure tour was organised wherein students were given a chance to visit the Adani Port, Adani Power and Adani Wilmar facilities to get an insight into the large-scale business activities carried out in each. The objective behind organising such trips was to encourage young minds to develop an interest in all sorts of enterprises, infrastructure development and encourage them to dream big. The Group believes that all young students should be given an exposure, which can help them recognise their potential to motivate them to work towards the same. The project, with a motto of inspiring young minds to

become entrepreneurs, innovators and achievers of tomorrow, has facilitated more than 1.5 lacs students across the nation.

The project has facilitated port visits for 27,946 students from 343 institutions in Mundra, during 2015-16 FY. Another 1,986 students and teachers visited the Tiroda power plant during FY15-16. Apart from these Initiatives, the Foundation provided school kits to 4,323 students from 55 schools to promote education among the needy students from Udupi region. School uniforms were provided to 30 students and solar table lamps have been distributed to 109 students in Tiroda. Adani Foundation provided assistance to needy students as and when required.

In another well-contemplated step to support 40 municipal schools in Ahmedabad, the Foundation has transformed sanitary infrastructure of schools through an NGO. The transformation proved so impactful that children and teachers have appreciated it. Students of the adopted schools have access to clean drinking water, safe and clean toilets and proper blackboards in the classes.

Community healthcare

The objective behind the healthcare initiatives of the Foundation is to provide 'affordable and accessible healthcare to all'. To provide good medical facilities even to the remotest of the villages; the Group has started mobile healthcare units and rural clinics along with various other programmes.

Mobile healthcare units

In Mundra, the Foundation operates two MHCUs (mobile healthcare units). These MHCUs have helped reduce transit time, hardship and expenses of 70,411 patients from 34 villages and five fisher folk settlements during FY 15-16. Around 113 types of general and lifesaving medicines were available in these units. These MHCUs proved to be a boon for the rural women, children and senior citizens. In Tiroda as well, basic healthcare services were provided by MHCUs on regular basis in 17 villages (22 locations) near Adani Power Maharashtra Limited. In FY15-16, 43,471 treatments were provided free of cost. Besides, the Foundation operated 12 rural clinics (11 in Mundra and one in Shimla) providing free healthcare services. A total of 66,513 free treatments were provided by the rural clinics during the year under review.

Other healthcare initiatives

Adani Foundation provides medical support, primary healthcare and financial assistance for ailments such as renal problems, paralysis, tumour removals, neurological and heart problems, blood pressure, diabetes, among others. In 2015-16, around 447 patients were supported while 11 patients received dialysis support twice a week on a regular basis.

Health cards for senior citizens were a major project implemented by the Foundation. Under this scheme, Health Cards given to senior citizens provided cashless medical services at our empanelled hospitals. The project is popularly known as Vadil Swasthya Yojana and covered 7,487 senior citizens from 66 villages of Mundra and nearby talukas.

With an objective to curb malnourishment, the Adani Foundation supported the ICDS programme. Regular interventions of the Foundation showed positive results. Of 120 identified malnourished children, 111 recovered fully and only nine children are under treatment now.

Anaemia in women and adolescent girls is a common health problem especially in rural India. This is primarily due to the unavailability of sufficient iron content in food. Adani Foundation commenced an anaemia reduction and awareness programme in the villages of Tiroda. This programme benefited 1,271 women and adolescent girls. 1,500 women and adolescent girls from previous camps also availed the facility of CBC blood tests conducted by the healthcare team.

Sustainable livelihood development

Livelihood development needs to bring about holistic development in communities. The Foundation has been working towards empowering community members by augmenting livelihood opportunities and providing necessary training for honing entrepreneurial skills.

Adani Skill Development Centre

Adani Foundation is continuously creating an environment where youth and women get to hone skills for enhanced employability. The Foundation through the ASDC (Adani Skill Development Centre) is raising the social status of people belonging to the lowest strata of society, empowering them with soft skills and technical training to facilitate livelihood earning. In 2015-16, ASDC trained 1,016 candidates out of which 578 were women. Most women and youth trained in ASDC were able to secure decent jobs in various organisations.

Servicing the fisher folk community

In order to generate alternate sources of income for the fisher folk especially during fishing off-season, the Adani Foundation introduced mangrove nursery development and plantation programme. Men and women from the communities were trained in mangrove nursery development and plantation, moss cleaning, among others. The programme generated 3,681 man-days of work. This programme, apart from being an income generation activity for the fisher folk, also ensured environmental sustainability. Upon requests from the fisher folk, fishing nets, ropes, buoys, ice boxes, crates, weighing scales, anchors, solar lights, among others were distributed on a regular basis for facilitating livelihoods. The Foundation also supported 42 Pagadiya fishermen by providing avenues of painting, which ensured a total of 7,020 person–days of employment.

The Foundation actively worked with the fisher folk community of Mundra across various community engagement activities. To promote camaraderie within the community, a bicycle marathon was organised for the fisher folk; 16 teams from the fisher folk community participated in a cricket tournament named Adani Premier League.

Women's empowerment

The Foundation started training programme with two major women groups in Mundra. Both groups (60 women in total) successfully completed their training in preparing washing powder, phenyle, utensil cleaning liquids and hand washes, among others. They have started a shop at Shantivan Colony, Mundra, Saheli Mahila Gruh Udyog, and reported a profit.

Farmer support programme

Adani Foundation is engaged in the agricultural and animal husbandry sectors. The Foundation collaborated with the KVK (Krishi Vigyan Kendra) and took 30 farmers from five villages of Mundra on an exposure tour to make them aware about agriculture technologies.

The Foundation, along with 1,050 farmers from 35 villages of Tiroda region, effectively implemented an SRI (System of Rice Intensification) on 1,050 acres of farmland. Adani Foundation empowered them with training in low-water, labour-intensive and organic methods. Under its SLD (Sustainable Livelihood Development) programme, Adani Foundation supported farmers by providing each with five kilograms of paddy (Siri NP - 405) seeds and 50 kilograms of vermin compost for taking up SRI. The programme achieved its prime objective of promoting organic methods of paddy cultivation. In the Tiroda region, the SRI method assisted 1,000 farmers in reducing their cultivation costs by 33% and increasing their crop productivities by 51%. The farmers reaped ₹5 crore in turnover against an investment of ₹20 lac by the Adani Foundation.

Besides, 1,108 farmers and 5,464 cattle benefitted following the intervention of the Foundation in association with the Animal Husbandry Department for regular vaccinations, first aid, deworming, and infertility treatment drives in 17 villages of the Tiroda region.

Bio-gas plant provision

In 2015-16, the Adani Foundation constructed 22 biogas plants for 22 households of Tiroda. This is expected to save about 5 tonnes of fire wood across each household annually. Moreover, this will reduce respiratory problems among women. Community members were explained the benefits of biogas. The community members contributed ₹4,000 per household as their share in the biogas project. Besides, 2,535 trees were planted at 20 different locations in Tiroda..

G-Auto

Adani Foundation extended its support to G-Auto to ensure better incomes and lifestyles for auto rickshaw drivers of Ahmedabad. Harnessing modern technologies, additional facility charges were reduced, generating benefits for passengers.

Rural infrastructure development

The rural infrastructure development programme helps the Adani Foundation build strong community relationships. The infrastructure development works are well-designed, planned and built for the betterment of education, community health, agriculture and living standards for communities.

The Foundation carried out various village development activities, including construction of individual household toilets and installation of safe drinking water facilities. Under the Machhimar Shudhh Jal Yojana for the fisher folk community, which envisions providing potable water to the fisher folk, water tank platforms were constructed and tanks were installed to provide potable water to the fisher folk community; reducing the drudgery of women to walk long distances to fetch drinking water.

A total of 85,000 litres of water was supplied across seven different settlements on a daily basis, benefiting 596 families.

Besides, 140 shelters were handed over to fisher folk families at Juna Bandar and another 110 shelters were constructed at Luni Bandar. In Hazira, the Foundation assisted in the construction of 12 houses at Vansawa under the Indira Awas Yojana and facilitated the construction of the gram panchayat in Hazira. In Kawai, the Foundation constructed a girl's toilet in its adopted schools.

At Tiroda, the Foundation electrified four schools, installed solar lights and facilitated the deepening of 26 ponds and 24 streams. This initiative benefited 686 farmers across 2,009 acres and saw 722 wells and 259 bore wells constructed. 24 villages have been covered under the water conservation mission.

Other activities

Other than four major core areas, the Foundation supported sports persons for their training, nutrition, travel needs and sports kit. The Foundation supported athletes headed for the Rio Olympics and other international events namely Mandeep Jangra (boxing), Inderjeet Singh (shotput), Khushbir Kaur (walking), Malaika Goel (shooting), Sanjivani Jadhav (athletics), Ankita Raina (tennis) and Pinki Rani (boxing).

Glossary

EBIDTA – excluding other income

Return on assets – net profit/fixed assets

17TH ANNUAL REPORT 2015-16

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Gautam S. Adani, Chairman & Managing Director
Mr. Rajesh S. Adani
Dr. Malay Mahadevia, Whole Time Director
Mr. Sudipta Bhattacharya, Whole Time Director (upto 31/12/2015)
Mr. Arun Duggal (upto 30/06/ 2015)
Mr. D. T. Joseph, IAS (Retd.) (upto 01/10/ 2015)
Prof. G. Raghuram
Mr. G. K. Pillai, IAS (Retd.)
Mr. Sanjay Lalbhai
Mr. A. K. Rakesh, IAS
Ms. Radhika Haribhakti
Mr. Sarthak Behuria (upto 31/03/2016)

COMPANY SECRETARY

Ms. Dipti Shah

AUDITORS

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

REGISTERED OFFICE

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

BANKERS AND FINANCIAL INSTITUTIONS

Axis Bank Ltd.
Bank of America
Barclays Bank PLC
DZ Bank
EXIM Bank
Export Development Canada
HDFC Bank Ltd.
HSH Nord Bank AG
ICICI Bank Ltd.
IDFC Bank Ltd.
India Infrastructure Finance Company (UK) Ltd.
IndusInd Bank Ltd.
Japan Bank for International Cooperation
Kotak Mahindra Bank Ltd.
Life Insurance Corporation of India
Mizuho Corporate Bank Ltd.
Oesterreichische Entwicklungsbank AG
RBL Bank Ltd.
State Bank of India
State Bank of Mysore
Societe Generale
The Bank of Tokyo - Mitsubishi UFJ, Ltd.
Yes Bank Ltd.

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REGISTRAR AND TRANSFER AGENT

M/s. Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai-400078.
Phone: +91-22-25946970
Fax: +91-22-25946969

IMPORTANT COMMUNICATION TO MEMBERS

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

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 17th Annual Report along with the audited financial statements of your Company for the financial year ended on March 31, 2016.

Financial Performance:

The summarized financial highlight is depicted below:

(₹ in crores)

Particulars	Consolidated Results		Standalone Results	
	2015-16	2014-15	2015-16	2014-15
Revenue from operations	7,255.73	6,151.98	4,630.75	3,909.36
Other Income	684.82	685.64	973.03	738.16
Total Income	**7,940.55**	**6,837.62**	**5,603.78**	**4,647.52**
Operating & Administrative Expenses	2,605.21	2,249.67	1,336.02	1,301.94
Operating Profit before Interest, Depreciation and Tax	**5,335.34**	**4,587.95**	**4,267.76**	**3,345.58**
Interest and Financial Charges Expense	1,099.04	1,175.06	822.10	708.79
Depreciation / Amortization	1,079.44	911.68	521.93	488.62
Profit Before Tax	**3,156.86**	**2,501.21**	**2,923.73**	**2,148.17**
Provision for tax (including deferred tax)	326.92	176.72	82.15	(34.97)
Net Profit / (Loss) before Minority Interest	**2,829.94**	**2,324.49**	**2,841.58**	**2,183.14**
Add/ (Less) share of Minority Interest	42.10	(10.16)	-	-
Share of Profit / (Loss) from Associate	(4.68)	-	-	-
Net Profit / (Loss) for the year after Minority Interest	**2,867.36**	**2,314.33**	**2,841.58**	**2,183.14**
Surplus brought forward from previous year	5,864.95	4,433.53	6,341.97	5,041.00
Balance available for appropriation	**8,732.31**	**6,747.86**	**9,183.55**	**7,224.14**
Appropriations:				
Final Dividend on Preference Shares	-*	-*	-*	-*
Tax on Final Dividend on Preference Shares (including surcharge)	-*	-*	-*	-*
Interim Dividend on Equity Shares	227.80	-	227.80	-
Tax on Interim Dividend (including surcharge)	46.38	-	46.38	-
Proposed Final Dividend on Equity Shares	-	227.71	-	227.71
Tax on Final Equity Dividend (including surcharge)	-	46.36	-	46.36
Depreciation charged to retained earnings (net of deferred tax)	-	21.71	-	20.97
Marked to market opening gain to retained earning	(0.40)	-	(0.40)	-
Transfer to Capital Redemption Reserve	0.14	0.14	0.14	0.14
Transfer to General Reserve	-	218.31	-	218.31
Transfer to Debenture Redemption Reserve	515.38	368.68	515.38	368.68
Net Surplus in the statement of profit and loss	**7,943.01**	**5,864.95**	**8,394.25**	**6,341.97**

*Figures being nullified on conversion to ₹ in crore.

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

Performance Highlights:

Your Company has created a milestone in Indian commercial ports history by handling more than 151.51 MMT of cargo. This achievement is indeed a fulfilling one. This is notwithstanding the general economic climate and slowdown experienced by various industrial sectors.

Mundra Port continues to rank 1st in terms of total cargo handling and 2nd in terms of container cargo handling during the year under review. The other ports developed and being operated by your Company at Dahej, Hazira, Kandla, Dhamra, Murmugao and Vizag have performed well.

The audited consolidated financial statements of the Company as on March 31, 2016, prepared in accordance with the relevant applicable Accounting Standards and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Companies Act, 2013, forms part of this Annual Report.

The key aspects of your Company's consolidated performance during the financial year 2015-16 are as follows:

- Cargo volume increased by 5% from 144.25 MMT in 2014-15 to 151.51 MMT in 2015-16.
- Total Income increased by 16% from ₹6,837.62 crores in 2014-15 to ₹7,940.55 crores in 2015-16.
- Profit after Tax increased by 24% from ₹2,314.33 crores in 2014-15 to ₹2,867.36 crores in 2015-16.
- Earning per Share (EPS) for the year increased by 24% from ₹11.18 in 2014-15 to ₹13.85 in 2015-16.

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

Dividend:

During the year under review, the Company had distributed an interim dividend of 55% (₹1.10 per equity share of ₹2 each) on the equity shares.

Your Directors wish to conserve resources for future expansion and growth of the Company. Hence, your Directors have decided not to declare any further final dividend for the year under review.

Your Directors have recommended 0.01% dividend on 0.01% Non-Cumulative Redeemable Preference Shares of ₹10 each for the financial year 2015-16.

The total outgo on account of dividend is ₹274.18 crores including tax thereon.

Transfer to Reserves:

The Company proposes to transfer ₹0.14 crores and ₹515.38 crores to the Capital Redemption Reserve and Debenture Redemption Reserve respectively out of the amount available for appropriation.

Status of Composite Scheme of Arrangement:

During the year under review, the Hon'ble High Court of Gujarat had, vide its order dated May 7, 2015 sanctioned the Composite Scheme of Arrangement between Adani Enterprises Limited ('AEL') and Adani Ports and Special Economic Zone Limited ('the Company or APSEZ') and Adani Power Limited ('APL') and Adani Transmission Limited ('ATL') and Adani Mining Private Limited ('AMPL') and their respective shareholders and creditors ('the Scheme').

The Scheme, with effect from April 1, 2015, inter alia, provided for 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 the Company.

Upon the Scheme coming into effect and in consideration of the transfer and vesting of the Port Undertaking of AEL into the Company, in terms of the Scheme, the equity shareholders of AEL whose names appeared in the Register of Members of AEL as on the Record Date i.e. June 4, 2015 ("Eligible Shareholders of AEL") were entitled for allotment of 14,123 equity share of APSEZ of ₹2/- each credited as fully paid-up for every 10,000 equity share of ₹1/- each fully paid-up held by such equity shareholder in AEL.

Accordingly, 155,32,61,781 equity shares of ₹2/- each of the Company were issued and allotted to the eligible shareholders of AEL on June 8, 2015. Further, pursuant to the scheme existing holding of 155,23,61,640 equity shares of ₹2/- each of AEL in the Company was extinguished and cancelled.

The equity shares of the Company so issued pursuant to the Scheme were listed and admitted for trading on BSE Limited and National Stock Exchange of India Limited with effect from June 16, 2015.

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

During the year under review, your Company priced rule 144A/Regulation S offering of USD 650 million 3.50% Senior Unsecured Notes due 2020. This was the first investment grade issuance and the largest USD bond offering by an infrastructure company in India and first private sector issuance from an Indian Debut IG issuer in international bond markets, since 2013. These Notes are rated Baa3 (Moody's), BBB- (S&P) and BBB- (Fitch).

Fixed Deposits:

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

Non-Convertible Debentures:

During the year under review, your Company has issued 14,000 Rated, Listed, Secured Redeemable Non-Convertible Debentures of face value of ₹10 lacs each aggregating to ₹1400 crores on a private placement basis listed on the Wholesale Debt Market Segment of BSE Limited.

Further, your Company has redeemed 4,950 Secured Redeemable Non-Convertible Debentures of face value of ₹10 lacs each aggregating to ₹495 crores issued on private placement basis.

Particulars of loans, guarantees or investments:

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

Subsidiaries, Joint Ventures and Associate Companies:

Your Company had 23 (direct and indirect) subsidiaries as on March 31, 2016.

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

- √ Adani Food and Agro-Processing Park Private Limited was incorporated as wholly owned subsidiary for the development of Mega Food Park as per the guidelines of Mega Food Parks Scheme of Ministry of Food Processing Industries.
- √ Abbot Point Operations Pty Limited was incorporated as wholly owned subsidiary with an object to carry on business of port operator.
- √ Adani Vizhinjam Port Private Limited was incorporated as wholly owned subsidiary for the development of a multipurpose international deepwater seaport at Vizhinjam.
- √ Adani Kattupalli Port Private Limited was incorporated as wholly owned subsidiary with an object to develop, operate, maintain port and related infrastructure facilities at Kattupalli.
- √ Adani LPG Terminal Private Limited was incorporated as wholly owned subsidiary with an object to develop, operate, maintain LPG terminal at Mundra.
- √ Your Company has divested its part stake in Mundra Solar Technopark Private Limited (MSTPL) and accordingly, MSTPL ceased to be subsidiary.

No Company has become/ceased to be a Joint venture/ associate during the financial year 2015-16.

Adani Petroleum Terminal Private Limited was incorporated as wholly owned subsidiary of the company on April 26, 2016 with an object to promote, invest and to develop, operate, maintain hydro-carbons terminal.

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

The annual financial statements and related detailed information of the subsidiary companies shall be made available to the shareholders of the holding and subsidiary companies seeking such information on all working days during business hours. The financial statements of the subsidiary companies shall also be kept for inspection by any shareholder/s during working hours at the Company's registered office and that of the respective subsidiary companies concerned. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including consolidated financial statements and related information of the Company and audited accounts

of each of its subsidiaries, are available on website, www.adaniports.com. Details of developments of subsidiaries of the Company are covered in the Management Discussion and Analysis Report which forms part of this Report.

Directors and Key Managerial Personnel:

During the year under review, Mr. Sarthak Behuria (DIN: 03290288) was appointed as an Additional Director of the Company w.e.f November 2, 2015 to hold office upto the ensuing Annual General Meeting. He has tendered his resignation as an Independent Director w.e.f March 31, 2016.

Mr. Arun Duggal (DIN: 00024262) and Mr. D. T. Joseph (DIN: 01716572) had resigned as an Independent Directors of the Company w.e.f June 30, 2015 and October 1, 2015 respectively upon completion of term.

Mr. Sudipta Bhattacharya (DIN: 06817333), Whole Time Director of the Company has resigned w.e.f. December 31, 2015.

Board places on record the deep appreciation for valuable services and guidance provided by outgoing Directors during the tenure of their Directorships.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, Mrs. Radhika Haribhakti was appointed as an Independent Director at the Annual General Meeting of the Company held on August 11, 2015. The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Companies Act, 2013. Your Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent Director during the year.

Pursuant to the requirements of the Companies Act, 2013 and Articles of Association of the Company, Dr. Malay Mahadevia (DIN: 00064110) is liable to retire by rotation and being eligible offers himself for re-appointment. The Board recommends the appointment of Dr. Malay Mahadevia as Director of the Company retiring by rotation.

Brief details of Dr. Malay Mahadevia as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Notice of the Annual General Meeting.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Company has appointed Mr. Karan Adani as Chief Executive Officer w.e.f January 1, 2016 as key managerial personnel of the Company.

Directors' Responsibility Statement:

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

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

b. that such accounting policies have been selected and applied consistently except which has been mentioned in the notes and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;

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

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

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

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

Number of Board Meetings:

The Board of Directors met 6 (six) times during the year under review. The details of board meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of this Report.

Independent Directors' Meeting:

The Independent Directors met on March 29, 2016, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board

to effectively and reasonably perform their duties.

Board Evaluation:

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

Policy on directors' appointment and remuneration:

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

Internal Financial control system and their adequacy:

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

Risk Management:

The Board of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls.

Committees of Board:

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

Corporate Social Responsibility:

The Company has constituted Corporate Social Responsibility (CSR) Committee and has framed a CSR Policy. The brief details of CSR Committee and contents of CSR policy is provided in the Corporate Governance Report. The Annual Report on CSR activities is annexed and forms part of this report. The CSR policy is available on the website of the Company at http://www.adaniports.com/sustainability/policies.

Corporate Governance and Management Discussion and Analysis Report:

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

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

Business Responsibility Report:

The Business Responsibility Report for the year ended March 31, 2016 as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed which forms part of this Annual Report.

Prevention of Sexual Harassment at Workplace:

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

Extract of Annual Return:

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

Related Party Transactions:

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

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

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

Insurance:

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

Quality, Health, Safety and Environment:

At Adani Ports and Special Economic Zone Limited (APSEZL), Quality, Health, Safety and Environmental (QHSE) responsibilities are integral to operations. Your Company has acquired International Standards ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007, ISO 28000:2007 certifications specifying the requirements for an Integrated Management System (IMS) as part of its objective to improve quality, health, safety and environment in the work place.

The organization has revisited its OHS Vision, Mission statements and Life Saving Rules (LSR's) which are non-negotiable. These have been communicated to all the employees. Further, to give impetus to organizations HSE & well-being, messages have been issued by the senior leadership team re-emphasizing the Safety First culture.

Further, your Company believes in Goal Zero, which is a strong, simple and memorable aim that has helped to achieve significantly enhanced safety performance. Besides, the Company has taken following major initiatives to advance the QHSE commitment:

- Celebrated 45th National Safety Day/Week (4th to 10th March, 2016) with programs spread over a week.
- Celebration of 27th Road Safety Week from 10th to 16th January, 2016 at sites.
- Celebration of World Environment day June 5, 2015.
- Regular Safety walk by CEO, COO and site heads.
- More than 200 Employees from various Ports underwent the 3 day Safety Orientation Course from Larsen and Toubro Limited Safety Training Centre (Safety Innovation School) at Hazira.
- All meetings including business review meeting commence with Safety Performance review thereby ensuring that focus on safety is maintained and it is sacrosanct.
- Regular walk the talk by senior management to enhance safety.
- Monthly OHS Bulletin SPARSH shared with all APSEZL users to engage them about the various activities carried out in enhancing Safety and Occupational Health.

The Company has developed a vision for Zero Waste and accordingly taken various initiatives at Mundra by focusing on 5R principles of waste management i.e. Reduce, Reuse, Reprocess, Recycle and Recover.

- Entire treated sewage is reused for horticulture purpose.
- Municipal Solid Waste is sent for recovery of valuable materials. Remaining material is decomposed through waste destruction machine and thereby reducing the burden on MSW landfills.
- Used Oil / Spent Oil is recycled through oil recovery.
- Oil is recovered from pigging activities through compression and thereby reduces the volume of pigging to be treated.
- Oily cotton waste is reused as a fuel in co-processing at cement kiln.
- Kitchen / Food waste is converted to manure which is used for horticulture requirements.
- Oil Water Separator is installed for recovery of oil.

These initiatives are already under consideration at other port locations to achieve the goal of making APSEZL – a zero waste company.

The Company has started process for sustainability reporting as per GRI-G4 guidelines.

Auditors & Auditors' Report:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration No.: 324982E/E300003), were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting (AGM) of the Company to be held in the calendar year 2017, subject to ratification of their appointment at every AGM. Accordingly, the appointment of M/s. S R B C & CO LLP, Chartered Accountants as Statutory Auditors of the Company is placed for ratification by the Shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

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

Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the rules made thereunder, your Company had appointed Mr. Ashwin Shah, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for financial year 2015-16 is annexed which forms part of this report as Annexure-B.

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

Information Technology- an enabler for Growth:

Your Company had embarked on a journey to standardize and optimize the critical business processes as part of the business transformation initiative two years back. The Business Process Transformation as planned is complete and has yielded results beyond expectations. Your Company can boast of standardized business processes across all ports for a consistent customer experience. This again was a stepping stone for enablement of productivity and efficiency to help the organization not just to achieve the business objectives but to surpass the competition and set new standards of service deliveries and customer delight. As part of the phase II of transformation, the company has embarked on the digital journey, a journey which all progressive and mature organizations globally have chosen to improve their efficiency, productivity, predictability and take the business closer to the partner eco-system.

Understanding emerging & disruptive technologies like Social, Mobility, Analytics & Cloud, coupled with connected devices, Machine to Machine IOT framework and consuming the same on an integrated command control centre with the best of class terminal operating solutions is the journey which has just begun and this, the management is very confident, will take your company to newer heights.

Awards, Certifications and Accreditations:

- "Private Port of the Year 2014-15" at the India Sea Trade Award (Costal Shipping).
- "Non-Major Port of the Year" at the 6th All India Maritime and Logistics Awards 2015 (MALA award).
- Container Terminal Operator of the Year - Maritime and Logistics Awards 2015 (MALA award).
- Sea Port of the Year (For Northern India) - Conquest 2016.
- "Port / Terminal of the Year – Containerized Cargo" at the Gujarat Junction 2016.
- "Port / Terminal Operator of the Year – Health, Safety and Environment" at Gujarat Junction 2016.
- "Sea Port of the Year (For Northern India)" award at North India Multimodal Logistics awards 2016.
- "Best Port of the year Award" at the Gujarat Star Awards 2015.
- "Non-Major Port of the year" at 3rd Samudra Manthan Awards 2015.
- Sea Port of the Year at the Economic Times Logistics Awards 2016.
- ALL - Leading ICD Operator, North India, Conquest 2016.

Particulars of Employees:

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

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

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

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

Acknowledgement:

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

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

For and on behalf of the Board of Directors

Place: Ahmedabad
Date: May 3, 2016

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

Annexure – A to the Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended March 31, 2016
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

CIN	:	L63090GJ1998PLC034182
Registration Date	:	May 26, 1998
Name of the Company	:	Adani Ports and Special Economic Zone Limited
Category / Sub-Category of the Company	:	Company limited by share
Address of the Registered office and contact details	:	Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009, Gujarat Phone No.: 91-79-26565555
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound LBS Marg, Bhandup (W) Mumbai-400 078, Maharashtra. Phone No. : 91-22-25946970

II. Principal business activities of the Company:

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

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

III. Particulars of holding, subsidiary and associate companies:

Sr No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Adani Petronet (Dahej) Port Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U63012GJ2003PTC041919	Subsidiary	74	2(87)
2.	Adani Murmugao Port Terminal Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U61100GJ2009PTC057727	Subsidiary	74	2(87)
3.	Adani Kandla Bulk Terminal Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U63090GJ2012PTC069305	Subsidiary	74	2(87)
4.	Mundra SEZ Textile and Apparel Park Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U74999GJ2005PTC046978	Subsidiary	51.41	2(87)
5.	Adani Vizag Coal Terminal Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U45203GJ2011PTC064976	Subsidiary	100	2(87)

Sr No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
6.	Adani Hazira Port Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U45209GJ2009PTC058789	Subsidiary	100	2(87)
7.	MPSEZ Utilities Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U45209GJ2007PTC051323	Subsidiary	100	2(87)
8.	Adani Logistics Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U63090GJ2005PLC046419	Subsidiary	100	2(87)
9.	Adani Ennore Container Terminal Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U61200GJ2014PTC078795	Subsidiary	100	2(87)
10.	Mundra International Airport Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U62200GJ2009PTC057726	Subsidiary	100	2(87)
11.	Karnavati Aviation Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U63090GJ2007PTC051309	Subsidiary	100	2(87)
12.	Adani Warehousing Services Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U63020GJ2012PTC069972	Subsidiary	100	2(87)
13.	Adani Hospitals Mundra Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U85110GJ2013PTC077422	Subsidiary	100	2(87)
14.	The Dhamra Port Company Ltd. HIG-20 BDA Colony, Jayadev Vihar Bhubaneswar Khordha, Odisha-751013	U45205OR1998PLC005448	Subsidiary	100	2(87)
15.	Hazira Infrastructure Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U45203GJ2010PTC061029	Step down Subsidiary	100	2(87)
16.	Hazira Road Infrastructure Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U45200GJ2010PTC062503	Step down Subsidiary	100	2(87)
17.	Adani Food and Agro-Processing Park Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U01403GJ2015PTC083090	Subsidiary	100	2(87)
18.	Adani Kattupalli Port Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U61100GJ2015PTC084219	Subsidiary	100	2(87)
19.	Adani Vizhinjam Port Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U61200GJ2015PTC083954	Subsidiary	100	2(87)
20.	Adani LPG Terminal Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U40106GJ2015PTC084303	Subsidiary	100	2(87)
21.	Dhamra LPG Terminal Pvt. Ltd. Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	U40106GJ2015PTC084295	Step down Subsidiary	100	2(87)

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

IV. Share Holding Pattern (equity share capital breakup as percentage of total equity as on March 31, 2016)

i) Category-wise Share Holding

Sr No	Category of Shareholders	No of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A.	Promoter									
1	Indian									
a)	Individuals/HUF	147075	-	147075	0.01	1464857	-	1464857	0.07	0.06
b)	Central Govt./State Govt.	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	1552361640	-	1552361640	74.99	140512153	-	140512153	6.78	-68.21
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any Others									
	Family Trust	30000	-	30000	0.00	889827949	-	889827949	42.97	42.97
Sub Total(A)(1)		**1552538715**	**-**	**1552538715**	**75.00**	**1031804959**	**-**	**1031804959**	**49.82**	**-25.18**
2	Foreign									
a)	NRIs-Individuals	-	-	-	-	130794953	-	130794953	6.32	6.32
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	5208562	-	5208562	0.25	0.25
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
Sub Total(A)(2)		**-**	**-**	**-**	**-**	**136003515**	**-**	**136003515**	**6.57**	**6.57**
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		**1552538715**	**-**	**1552538715**	**75.00**	**1167808474**	**-**	**1167808474**	**56.39**	**-18.61**
B.	Public shareholding									
1	Institutions									
a)	Mutual Funds/ UTI	23453836	-	23453836	1.13	70395435	-	70395435	3.40	2.27
b)	Banks/FI	2235576	-	2235576	0.11	3702657	-	3702657	0.18	0.07
c)	Central Govt./State Govt.	4010	-	4010	0.00	1569858	-	1569858	0.08	0.08
d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
e)	Insurance Companies	28645179	-	28645179	1.38	68086719	-	68086719	3.29	1.91

Sr No	Category of Shareholders	No of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
f)	FII	321283867	-	321283867	15.52	396111288		396111288	19.13	3.61
g)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h)	Any Other									
	Foreign Portfolio Investor	64456673	-	64456673	3.11	249893047	-	249893047	12.07	8.96
	Foreign Bank	-	-	-	-	9993	-	9993	0.00	-
Sub-Total (B)(1)		**440079141**	**-**	**440079141**	**21.26**	**789768997**	**-**	**789768997**	**38.14**	**16.88**
2	**Non-institutions**									
a)	Bodies Corporate									
i	Indian	21738648	-	21738648	1.05	30786918	5648	30792566	1.49	0.44
ii	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
I	Individuals shareholders holding nominal share capital up to ₹1 lakh	38211438	295	38211733	1.85	50301154	639427	50940581	2.46	0.61
ii	Individual shareholders holding nominal share capital in excess of ₹1 lakh	12662577	-	12662577	0.61	16441283	-	16441283	0.79	0.18
c)	Other (specify)									
	Clearing Member	2339347	-	2339347	0.11	2052863	-	2052863	0.10	-0.01
	Non Resident Indian (Repat)	832158	-	832158	0.04	8718891	-	8718891	0.42	0.38
	Non Resident Indian (Non Repat)	181541	-	181541	0.01	382819	-	382819	0.02	0.01
	Foreign Companies	25	-	25	0.00	59690	-	59690	0.00	-
	Directors/ Relatives	1463040	-	1463040	0.07	1686008	-	1686008	0.08	0.01
	Trusts	4695	-	4695	0.00	241797	-	241797	0.01	0.01
	Foreign Nationals	-	-	-	-	14123	-	14123	0.00	-
	Hindu Undivided Family	-	-	-	-	2043669	-	2043669	0.10	0.10
Sub-Total (B)(2)		**77433469**	**295**	**77433764**	**3.74**	**112729215**	**645075**	**113374290**	**5.47**	**1.73**
Total Public Shareholding (B)=(B)(1)+(B) (2)		**517512610**	**295**	**517512905**	**25.00**	**902498212**	**645075**	**903143287**	**43.61**	**18.61**
C.	**Shares held by Custodians for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)		**2070051325**	**295**	**2070051620**	**100.00**	**2070306686**	**645075**	**2070951761**	**100.00**	**-**

ii) Shareholding of Promoters/Promoters Group:

Sr No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the company	% shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% shares pledged/ encumbered to total shares	
1	Adani Enterprises Ltd	1552361640	74.99	8.00	-	-	-	-8.00
2	Rakesh Ramanlal Shah	-	-	-	893103	0.04	0.01	0.04
3	Pritiben Rakeshbhai Shah	40075	0.00	-	316885	0.02	0.01	0.02
4	Surekha Bhavikbhai Shah	107000	0.01	-	155018	0.01	-	0.01
5	Bhavik Bharatbhai Shah	-	-	-	57255	0.00	-	0.00
6	Vinod Sanghavi	-	-	-	42596	0.00	-	0.00
7	Gautam S. Adani & Rajesh S. Adani [On behalf of S.B.Adani Family Trust]	-	-	-	877317807	42.36	14.79	42.36
8	Gautam S. Adani & Priti G. Adani [On behalf of Gautam S. Adani Family Trust]	-	-	-	12480142	0.60	-	0.60
9	Rajesh S. Adani [On behalf of Rajesh S. Adani Family Trust]	30000	0.00	-	30000	0.00	-	Nil
10	Adani Properties Pvt. Ltd.	-	-	-	140512153	6.78	4.32	6.78
11	Vinod S. Adani	-	-	-	130794953	6.32	-	6.32
12	Ventura Power Investments Pvt. Ltd.	-	-	-	5208562	0.25	-	0.25
	Total	**1552538715**	**75.00**	**8.00**	**1167808474**	**56.39**	**19.13**	**-**

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

Sr No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	1552538715	75.00	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
1.	Cancelled pursuant to the scheme of Demerger	(1552361640)	-	-	-
2.	Allotted pursuant to the scheme of Demerger	1164946324	-	1165178474	56.26
3.	Market Purchase on 18.03.2016	800000	-	1165978474	56.30
4.	Market Purchase on 21.03.2016	1000000	-	1166978474	56.35
5.	Market Purchase on 22.03.2016	830000	-	1167808474	56.39
	At the end of the year	-	-	1167808474	56.39

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

Sr No	Name of Shareholder *	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	Decrease	Increase	No. of Shares	% of total shares of the Company
1.	Life Insurance Corporation of India	29941511	1.45	-	40403770	70345281	3.40
2.	Baytree Investments (Mauritius) Pte Ltd	28701033	1.39	7701033	-	21000000	1.01
3.	Abu Dhabi Investment Authority - Gulab	17172500	0.83	-	2114145	19286645	0.93
4.	Elara India Opportunities Fund Limited	9152637	0.44	-	42638858	51791495	2.50
5.	Platinum Asia Fund	18619433	0.90	4791182	-	13828251	0.67
6.	Government Of Singapore	13260278	0.64	-	6078346	19338624	0.93
7.	Platinum International Fund	11069918	0.53	-	538082	11608000	0.56
8.	UTI Mutual Fund - Various Schemes	10486780	0.51	746825	-	9739955	0.47
9.	Fidelity Investment Trust Fidelity Series Emerging Markets Fund	9498947	0.46	-	4387456	13886403	0.67
10.	T. Rowe Price Emerging Markets Stock Fund	13738663	0.66	13738663	-	-	-
11.	HSBC Bank (Mauritius) Limited	8224269	0.40	-	16532706	24756975	1.20
12.	Cresta Fund Ltd	513620	0.02	-	42146194	42659814	2.06
13.	Emerging India Focus Fund	2639820	0.13	-	35584492	38224312	1.85
14.	Albula Investment Fund Ltd	4964234	0.24	-	32740950	37705184	1.82
15.	EM Resurgent Fund	6123855	0.30	-	17584455	23708310	1.14

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

v) Shareholding of Directors and Key Managerial Personnel:

Name	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	Increase	Decrease	No. of Shares	% of total shares of the Company
Directors:						
Mr. Gautam S. Adani	-	-	-	-	-	-
Mr. Rajesh S. Adani	-	-	-	-	-	-
Dr. Malay Mahadevia	14,47,765	0.07	1,86,423	-	16,34,188	0.08
Mr. Arun Duggal[1]	-	-	-	-	-	-
Mr. D. T. Joseph[2]	-	-	-	-	-	-
Mr. Sudipta Bhattacharya[3]	3,400	0.00	-	-	-	-
Prof. G. Raghuram	-	-	-	-	-	-
Mr. G. K. Pillai	-	-	-	-	-	-
Mr. Sanjay Lalbhai	-	-	-	-	-	-
Mr. A.K. Rakesh, IAS	-	-	-	-	-	-
Ms. Radhika Haribhakti	-	-	-	-	-	-
Mr. Sarthak Behuria[4]	-	-	-	-	2,650	0.00
Key Managerial Personnel:						
Mr. B. Ravi	1,075	0.00	-	-	1,075	0.00
Ms. Dipti Shah	3,600	0.00	-	-	3,600	0.00
Mr. Karan Adani[5]	-	-	-	-	-	-

[1]Resigned w.e.f June 30, 2015

[2]Resigned w.e.f October 1, 2015

[3]Resigned w.e.f December 31, 2015

[4]Appointed as an Additional Director w.e.f. November 2, 2015 and resigned w.e.f. March 31, 2016

[5]Appointed as CEO w.e.f January 1, 2016

V) Indebtedness:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10,596.46	1,168.43	-	11,764.89
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	101.11	0.16	-	101.27
Total (i+ii+iii)	**10,697.57**	**1,168.59**	**-**	**11,866.16**
Change in Indebtedness during the financial year				
• Addition (Principal & Interest)	3,390.19	22,370.96	-	25,761.15
• Reduction (Principal & Interest)	8,573.38	13,873.89	-	22,447.27
• Exchange Difference	259.75	160.29	-	420.03
Net Change	**(4,923.45)**	**8,657.36**	**-**	**3,733.91**
Indebtedness at the end of the financial year				
i) Principal Amount	5,710.54	9,798.88	-	15,509.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	63.57	27.07	-	90.66
Total (i+ii+iii)	**5,774.12**	**9,825.95**	**-**	**15,600.07**

VI) Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lacs)

Sr No	Particulars of Remuneration	Gautam S. Adani Chairman & Managing Director	Malay Mahadevia Whole Time Director	Sudipta Bhattacharya Whole Time Director*	Total Amount
1	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	180.00	1046.03	296.36	1522.39
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	3.72	2.79	6.51
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	100.00	-	-	100.00
	- others, specify	-	-	-	-
5	Others-contribution towards PF etc.	-	20.15	15.08	35.23
	Total	**280.00**	**1069.90**	**314.23**	**1664.13**
	Ceiling as per the Act	₹29,266 Lacs (@ 10% of profits calculated as per Section 198 of the Companies Act, 2013).			

*Resigned w.e.f December 31, 2015

B. Remuneration to other Directors:

(₹ in Lacs)

Sr No	Particulars of Remuneration	Fee for attending board/ committee meetings	Commission	Others, please specify	Total Amount
1.	**Independent Directors**				
	Mr. Arun Duggal[1]	0.60	3.00	-	3.60
	Mr. D. T. Joseph[2]	1.40	6.00	-	7.40
	Prof. G. Raghuram	3.20	12.00	-	15.20
	Mr. G. K. Pillai	0.80	12.00	-	12.80
	Mr. Sanjay Lalbhai	1.20	-	-	1.20
	Ms. Radhika Haribhakti	2.60	12.00	-	14.60
	Mr. Sarthak Behuria[3]	1.00	4.96	-	5.96
	Total (1)	**10.80**	**49.96**	**-**	**60.76**
2.	**Other Non-Executive Directors**				
	Mr. Rajesh S. Adani	8.00	-	-	8.00
	Mr. A.K. Rakesh, IAS	0.20	-	-	0.20
	Total (2)	**8.20**	**-**	**-**	**8.20**
	Total (1+2)	**19.00**	**49.96**	**-**	**68.96**
	Overall ceiling as per the Act	₹2,927 Lacs (@ 1% of profits calculated as per Section 198 of the Companies Act, 2013).			

[1]Resigned w.e.f June 30, 2015

[2]Resigned w.e.f October 1, 2015

[3]Appointed as an Additional Director w.e.f November 2, 2015 and resigned w.e.f. March 31, 2016

C. Remuneration to key managerial personnel other than MD/WTD/Manager (₹ in Lacs)

Sr No	Particulars of Remuneration	Chief Financial Officer	Company Secretary	Total Amount
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	273.54	17.21	290.75
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.06	1.97	5.03
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
5	Others- contribution towards PF etc.	11.40	0.97	12.37
	Total	**288.00**	**20.15**	**308.15**

VII) Penalties / Punishment/ Compounding of Offences:

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

Annexure – B to the Directors' Report

Form No. MR-3

Secretarial Audit Repot
for the financial year ended March 31, 2016

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

To
The Members
Adani Ports and Special Economic Zone Limited

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

Based on my verification of the Adani Ports and Special Economic Zone Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Adani Ports and Special Economic Zone Ltd ("the Company") for the financial year ended on March 31, 2016 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- The Gujarat Special Economic Zone Act, 2004 & The Gujarat Special Economic Zone Rules, 2005
- The Merchant Shipping Act, 1958
- International Convention For The Safety Of Life At Sea, 2002
- Gujarat Maritime Board Act, 1981
- The Indian Railways Act, 1989 & Wagon Investment Scheme

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

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

b) The Listing Agreements entered into by the Company with Stock Exchanges;

c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.e.f 1st December, 2015.

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

I further report that:

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

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

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

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

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

1. Pursuant to court convened meeting held on April 20, 2015, in terms of section 391 to 394 of Companies Act, 1956, company has issued and allotted 1,55,32,61,781 new equity shares and 1,55,23,61,640 shares were cancelled.

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

3. Passed a special resolution to authorised board of directors to subscribe redeemable secured/unsecured Non-Convertible Debentures, bonds and/or other debt securities.

4. Passed a special resolution to authorised board of directors to invest/acquire the securities of anybody corporate by way of subscription/purchase or otherwise, to the extent of ₹10,000 crores.

5. Passed a special resolution to authorised board of directors to borrow money not exceeding in aggregate ₹35,000 crores.

6. Passed a special resolution to ratify material related party transactions

7. As per the provision of Foreign Exchange Management Act, 1999 (FEMA), members have consented to permit Foreign Institutional Investors (FIIs)/ SEBI approved sub-accounts of FIIs/ Foreign Portfolio Investors (FPIs) shall acquire and make investment up to an aggregate limit of 40% (forty percent) of the paid-up equity share capital of the Company.

Place: Ahmedabad
Date: May 3, 2016

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

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

'Annexure – A' to the Secreterial Audit Report

To
The Members
Adani Ports and Special Economic Zone Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Ahmedabad
Date: May 3, 2016

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

Annexure – C to the Directors' Report

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

i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2015-16:

Name of Directors/KMP	Ratio of remuneration to median remuneration of employees	% increase in remuneration in the financial year
Executive Directors:		
Mr. Gautam S. Adani	47.86 : 1	-
Dr. Malay Mahadevia	182.89 : 1	2.99
Mr. Sudipta Bhattacharya[1]	53.71 : 1	NA
Non-Executive Directors:		
Mr. Rajesh S. Adani [2]	1.37 : 1	48.15
Mr. Sanjay Lalbhai [2]	0.21 : 1	-
Mr. A. K. Rakesh, IAS[2]	0.03 : 1	-
Mr. Arun Duggal[3]	0.62 : 1	-
Mr. D. T. Joseph[3]	1.26 : 1	-
Prof. G. Raghuram[4]	2.60 : 1	2.70
Mr. G. K. Pillai[4]	2.19 : 1	-
Ms. Radhika Haribhakti[4]	2.50 : 1	100.00
Mr. Sarthak Behuria[5]	1.02 : 1	NA
Key Managerial Personnel*:		
Mr. B. Ravi	N.A.	8.27
Ms. Dipti Shah	N.A.	2.54

* Mr. Karan Adani appointed as CEO w.e.f January 1, 2016 has not drawn remuneration from the Company.
[1]Mr. Sudipta Bhattacharya ceased to be a Whole-time Director w.e.f December 31, 2015 [2]Reflects sitting fees
[3]Reflects sitting fees and commission. Ceased as director during the year. [4]Reflects sitting fees and commission
[5]Reflects sitting fees and commission. Appointed as an Additional Director w.e.f November 2, 2015 and ceased as director w.e.f March 31, 2016

ii) The percentage increase in the median remuneration of employees in the financial year: 15%

iii) The number of permanent employees on the rolls of Company: 1,306 as on March 31, 2016.

iv) The explanation on the relationship between average increase in remuneration and Company performance:

The average increase in remuneration is associated with and driven by achievement of annual corporate goals and overall business, financial and operational performance of the Company.

v) Comparison of the remuneration of the key managerial personnel against the performance of the Company:

The total remuneration of key managerial personnel's increased by 3.34% in 2015-16 whereas the profit after tax increased by 30.16% in 2015-16.

vi) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2016	March 31, 2015	% Change
Market Capitalisation (₹ crores)	51,297.48	63,767.94	(19.56)

vii) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

(in ₹)

Particulars	March 31, 2016	November 27, 2007 (IPO)	November 27, 2007 (IPO)*	% Change
Market Price (BSE)	247.70	440.00	88.00	181.48
Market Price (NSE)	247.70	440.00	88.00	181.48

*Adjusted for stock split in 2010

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

- Average increase in remuneration of employees excluding KMPs: 15.25%
- Average increase in remuneration of KMPs: 3.34%
- KMP salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.

ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

The profit after tax increased by 30.16% in 2015-16 and the increase in remuneration of each key managerial personnel is detailed in clause (i) above.

x) The key parameters for any variable component of remuneration availed by the Directors:

The variable component of remuneration of the executive Director comprises of annual performance bonus which is linked to achievement of corporate KPIs & individual goals.

The non-executive Directors of the Company are entitled to annual commission within the ceiling of 1% of net profit of the Company as approved by shareholders.

xi) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: None.

xii) Affirmation that the remuneration is as per the Remuneration Policy of the Company:

The Company affirms remuneration is as per the Remuneration Policy of the Company.

Annexure – D to the Directors' Report

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

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

A. Conservation of Energy:

i) **Steps taken or impact on conservation of energy:** The Company has adopted number of initiatives / improvisations which help to cut down on energy consumption. Some of these initiatives are:

- Average Power factor of the system has been maintained up to 0.978
- As a part of energy saving initiative reduced voltage level of each CSS feed supply to RTG crane resulting into energy savings
- Reduced output voltage of office building CSS -14
- Modified lighting Circuit in STS
- Switching off one 16MVA transformer and save no load losses
- Replacement of conventional luminaries by LED at conveyors BC 2I,3I, F3 and F4
- Steel yard HM tower conversion to LED lights
- Earlier the power distribution through 2X16MVA transformers with separate network (grid) due to which reverse power was not consumed fully and some amount of reverse power went back to the grid. Changed the distribution thereby saving energy consumption
- Started the work on replacing tube light fittings by LED fixture with lower power consumption
- Installation of new capacitor bank for power factor improvement
- Exploring Plasma light option for replacement of HM tower HPSV lamp
- Centralized Power Factor Monitoring – Continuous monitoring of power factor by CCR personnel; HT capacitor status provided in CCR along with audible alarms at CCR and SS5
- Plant Lighting System – Auto off timer fixed for site lighting to avoid wastage of resources

ii) **Steps taken by the company for utilizing alternate sources of energy:** Not applicable.

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

B. Technology Absorption:

i) **Efforts made towards technology absorption:**

- A number of automation and technological initiatives have been undertaken during the year. Some of these include:
- Implemented Anti toppling device in RTGs by installing Sensor, PLC module resulting into improvement of system safety.
- Installed humidity control device in STS E-room to avoid premature failure of electronics device.
- Introduced Auto-PDS system in RTGs to update container location with ACTOS without human intervention
- A permanent facility is developed at Hazira Port, equipped with fall protection devices for coal dumpers.
- Trolley Reverse Anti-collision Hazira Port mechanism developed to prevent the collision incidents while reversing trolley of RTG crane
- Rake Placement Warning System - Proximity sensor is Installed to detect wagons
- Installation of buzzer system in dumpers / tipper
- Wedge shaped plates used to secure cranes; stackers during cyclone or similar conditions were modified by making a provision of locking with respective rails
- QC gantry anti-collision system modification. Cranes can work safest close distance.

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

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

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

C. Foreign Exchange Earnings and Outgo:

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

(₹ in Crores)

Particulars	2015-16	2014-15
Foreign exchange earned	-	-
Foreign exchange outgo	363.83	462.15

Annexure to the Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2015-16 AS PER SECTION 135 OF THE COMPANIES ACT, 2013

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

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

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

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

3. **Average net profit of the Company for last three financial years:** ₹2020.17 crore

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** ₹40.40 crore.

5. **Details of CSR spent for the financial year:**
   a) Total amount spent for the financial year 2015-16: ₹40.81 crore.
   b) Amount unspent, if any: Nil
   c) Manner in which the amount spent during the financial year: Details are as under :

(₹ in Lacs)

1.	2	3	4	5	6		8	9
Sr. No.	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs.	(2) Over-heads:	Cumulative expenditure upto to reporting period.	Amount spent: Direct or through implementing agency
1.	Education Assistance	Education	Ahmedabad, Gujarat	37.46	85.68	-	85.68	Through Adani Foundation
2.	Support to Government municipal Schools (YUVA Unstoppable)			200.00	245.27	-	245.27	
3.	Support to Adani Public School		Mundra, Gujarat	146.79	158.84	-	158.84	
4.	Uddan - Student Visit to Mundra			351.16	403.73	-	403.73	
5.	Education Project			27.50	37.06	-	37.06	

1.	2	3	4	5	6		8	9
Sr. No.	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs.	(2) Overheads:	Cumulative expenditure upto to reporting period.	Amount spent: Direct or through implementing agency
6.	Support to Government / Private Educational Institutes			5.00	8.54	-	8.54	
7.	Education Initiative for children at Fisher Folk vasahat			15.80	21.55	-	21.55	
8.	Adani Vidya Mandir - Bhadreshwar			124.06	119.76	-	119.76	
9.	Dhamra School		Dhamra, Orissa		995.00	-	995.00	
10.	Support to Govt School		Dhamra, Orissa	81.00	15.06	-	15.06	
11.	Gyan Jyoti- Support to School		Tiroda, Maharashtra	8.00	9.75	-	9.75	
12.	Project - Udaan with Other programmes		Tiroda, Maharashtra	10.00	11.03	-	11.03	
13.	Distribution of school Kits		Udipi	15.00	37.88	-	37.88	
14.	Adani Vidya Mandir-Surguja		Surguja		45.39	-	45.39	
15.	G-Auto Project	Sustainable Livelihood Development	Ahmedabad, Gujarat	28.00	30.66	-	30.66	
16.	Adani Skill Development Centre		Mundra, Gujarat	30.00	20.46	-	20.46	
17.	Sustainable livelihood for Fisher folk			32.00	46.02	-	46.02	
18.	Women Empowerment			8.00	10.43	-	10.43	
19.	Agriculture Initiatives and Support			145.00	160.29	-	160.29	
20.	Support to Om Creation Trust		Mumbai, Maharashtra	0.00	306.58	-	306.58	
21.	Agro- Resources Development & Social Forestry		Tiroda, Maharashtra	9.50	11.59	-	11.59	
22.	Skill and Entrepreneur Development			1.50	2.14	-	2.14	
23.	Support in Construction of Biogas Plants.			5.75	7.30	-	7.30	

1.	2	3	4	5	6		8	9
Sr. No.	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs.	(2) Overheads:	Cumulative expenditure upto to reporting period.	Amount spent: Direct or through implementing agency
24.	Swachhagraha	Community Health	Ahmedabad, Gujarat	500.00	1.43	-	1.43	
25.	Health Care Support			20.00	21.18	-	21.18	
26.	Mobile Health Care Units		Mundra, Gujarat	15.27	15.46	-	15.46	
27.	Rural clinics			10.00	12.55	-	12.55	
28.	Medical support to very needy and poor patients			15.00	32.50	-	32.50	
29.	Dialysis Support to poor & needy			7.00	9.51	-	9.51	
30.	Health card to Senior citizens			170.00	207.92	-	207.92	
31.	Collaborative Actions in Lowering Maternity Encounters Death(CALMED)			3.00	3.71	-	3.71	
32.	Support in ICDS to reduce malnourishment			5.00	5.74	-	5.74	
33.	Medical Support-GKGH			50.00	60.90	-	60.90	
34.	Flagship Project: Anaemia Reduction and Prevention Programme		Tiroda, Maharashtra	4.90	5.97	-	5.97	
35.	Mobile Health Care Units			29.10	35.36	-	35.36	
36.	De-Addiction Campaign			1.98	2.42	-	2.42	
37.	Poor Patient Assistance Programme with special focus on senior citizen			3.00	4.87	-	4.87	
38.	Rural Infrastructure Development	Rural Infrastructure Development	Mundra, Gujarat	293.49	330.67	-	330.67	
39.	Rural Infrastructure Development		Hazira, Gujarat	60.00	57.61	-	57.61	
40.	Rural Infrastructure Development		Tiroda, Maharashtra	143.00	181.52	-	181.52	
41.	Rural Infrastructure Development		Kawai, Rajasthan	183.00	148.97	-	148.97	
42.	Rural Infrastructure Development		Chindwara, Maharashtra	50.00	3.04	-	3.04	
43.	Support Olympics Athletes	Supporting Athletes	Ahmedabad, Gujarat	140.00	67.50	-	67.50	
44.	Community Engagement through Rural Sports	Rural Sports	Mundra, Gujarat	5.00	1.77	-	1.77	
45.	Establishing multi-speciality Charusat Hospital	Community Health	Anand, Gujarat	40.00	40.00	-	40.00	Direct

1.	2	3	4	5	6		8	9
Sr. No.	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs.	(2) Overheads:	Cumulative expenditure upto to reporting period.	Amount spent: Direct or through implementing agency
46.	Health, sanitation and education related awareness activity, community development and income generation activity		Ahmedabad, Gujarat	19.65	19.65	-	19.65	
47.	Education and Social development	Education	Bhuj, Gujarat	21.00	21.00	-	21.00	
		Total		3070.91	4081.26	-	4081.26	

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

7. CSR Committee Responsibility Statement:

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

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

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

Annexure to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS

The discussion hereunder covers financial results and subsidiaries development of Adani Ports and Special Economic Zone Limited (APSEZL) for the financial year 2015-16 and its business outlook for the future. This outlook is based on assessment of the current business environment and Government policies. The change in future economic and other developments are likely to cause variation in this outlook.

Economic Outlook:

The global economy which was expected to be on a revival path at the start of 2015 was held back due to falling commodity prices coupled with the increasing financial turbulence in major economies (source: Un.org WESP). World economy is struggling to generate stronger growth and grew at 3.1% in 2015. IMF expects that world economy to grew at 3.2% in 2016 (IMF Projection April 2016). Emerging countries lacklustre economy growth of 4.0% put a brake on the global recovery. Advanced economies' growth, at 1.9% in 2015 has been slightly disappointing .

US economy stumbled due to weak export stemming from the strong dollar along with weaker domestic demand as well as decline in the investment but labour market indicators continued to improve.

In Japan, growth came out significantly lower than expected during the fourth quarter, reflecting in particular a sharp drop in private consumption.

Economic activity in other Asian advanced economies which are closely integrated with China such as Hong Kong and Taiwan weakened in 2015, owing in part to steep declines in exports and subdued domestic demand.

Growth in China was in contrast slightly stronger than previously forecast, reflecting resilient domestic demand, especially consumption. Robust growth in the services sector offset recent weakness in manufacturing activity.

India has emerged as the fastest growing major economy in the world in 2015. The improvement in India's economic fundamentals has accelerated in 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices.

Despite the uncertainties in the global economy, India's GDP growth gained momentum with a five years high growth rate at 7.6% in 2015-16 (Central Statistics office). The Economic Survey 2015-16 had forecasted that the Indian economy will be growing by more than 7% for the third successive year in 2016-17 and can start growing at 8% or more in next two years.

Industry Structure:

Ports:

Indian Scenario:

India's goal of emerging as a modern economy depends on its ability to sustain economic growth of over 8% annually over the next decade. To do so, the Government of India has identified development and modernization of the country's economic infrastructure as a priority area. The development and growth of ports, in particular, is crucial as they play a vital role in the country's overall economic development.

Buoyed by the levels and changes of demand both in the domestic and global activity, cargo traffic at India's 12 major ports witnessed an increase of 25.03 MMT during the financial year 2015-16 as compared to financial year 2014-15.

Cargo traffic at India's 12 major ports stood at 606.37 MMT during the financial year 2015-16 as compared with 581.34 MMT handled during financial year 2014-15. During the first three quarters of 2015-16, cargo traffic handled at India's major ports recorded growth of 4.3% in the first quarter (April-June), 3.8% in the second quarter (July-September) and 1.4% in the third quarter (October- December). Volume of seaborne cargo is essentially in the nature of derived demand and is mainly shaped by the levels and changes in both the global and domestic activity. The growth for the first three quarters of 2015-16 stood at 3.2 % which accelerated to 4.3% for the period of April to March.

Mundra Port, the flagship port of APSEZL handled cargo volume of 109.02 MMT in financial year 15-16 and ranked 1st in terms of cargo handled amongst Indian commercial ports.

Special Economic Zone:

The Special Economic Zone Policy was framed in April, 2000 with an objective to increase the exports, attract Foreign Direct Investment and to accelerate the economic growth of the country. Your Company's Multi-product SEZ at Mundra is the largest notified SEZ in the country with notified area of 6456.3349 Hectares. Exports from Mundra SEZ upto March, 2016 was about ₹12,729 crores (cumulative). Mundra SEZ with its multi-modal connectivity including road, rail, sea port and airport is expected to attract more and more investments in the coming years.

Further, based on approvals from Government of India your company has set up a Free Trade Warehousing Zone (FTWZ) in an area of 168.41 Hectares and another multi-product SEZ over an area of 1856.5335 Hectares at Mundra.

As the above three SEZs are adjacent to each other, your company has also approached Government of India for clubbing of these SEZs into one multi-product SEZ with combined area of about 8481.28 Hectares. The proposal has since been approved by Government of India.

Performance Overview:

During the year under review the performance of your Company is encouraging. The Company has been leading across all the fronts and Mundra Port continues to be the largest commercial port in India by handling 109.02 MMT of cargo in financial year 2015-16 and total cargo handled across all Adani Ports is 151.51 MMT during the year under review.

Your Company maintained better than industry growth record and registered a 5% growth in cargo volumes in financial year 2015-16 as compared to financial year 2014-15. The company would continue to lead innovative practices, adoption of technology and setting examples of efficient port operations.

Performance Highlights:

Your Company operates 8 ports / terminals spread over 5 maritime states of India - Gujarat, Goa, Andhra Pradesh, Tamil Nadu and Odisha and developing 2 more. Your company operates 16 terminals having 40 berths to handle dry, liquid and container cargo and 2 single point mooring facilities.

Your Company's operational facilities has pan India presence and is equipped with all the modern cargo handling facilities which are not only best in class but capable of handling biggest vessels calling at Indian ports in dry, liquid and container categories globally.

Your Company has entered into an agreement to operate the terminal at Kattupalli Port in the state of Tamil Nadu having 2 berths.

With this, your Company has been successful in establishing its presence across majority of the Indian coastline.

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

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

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

Mundra

- APSEZ, Mundra announced inauguration of PCS (Port Community System) on February 1, 2016.
- Longest ever container vessel (365.9m) berthed at Mundra port AICTPL. She sailed out with a record draft of 16.2 meters surpassing the previous maximum draft of 15.7 meters. The vessel also became the deepest laden container vessel handled at Indian Port.
- Two coastal container services have started at AMCT (IWCS & PML), Mundra.
- MV Martha Oldendorff, GRT – 1,06,884 was highest GRT vessel handled at Mundra Multi Purpose Terminal.
- Handled 10.95 MMT Crude for HMEL in financial year 2015-16. The HMEL handled more than 10 MMT of crude oil for the first time ever at their Mundra SPM.
- Highest No. of Vessels 118 handled at SPM terminal (IOCL, HMEL).
- Highest No. of Container rakes handled in the financial year 2015-16. Total 8136 container rakes handled (4261 inward rakes and 3877 outward rakes) against best of

7906 (4127 inward and 3779 outward rakes) container rakes in financial year 2014-15.

Tuna

- At Tuna, achieved and crossed the minimum guaranteed tonnage (MGT) volume in the first year of operation.

Dahej

- Achieved a new milestone by handling 10 rakes in a day.
- Highest coal dispatch (by Road) in March, 2016 - 2,25,073MT (previous best 1,80,724MT)

Hazira

- Hazira Port has done particularly well in import of rock phosphate (between Hazira / Kandla / Mundra and Tuna) for 2015-16. Gypsum imports have also increased.
- First Sulphur vessel handled at Hazira in the month of March, 2016.

Goa

- Handled 1.81 MMT in financial year 2015 -16 which records a 210% growth on YoY basis. Total 51 Nos. of vessels have been handled in financial year 2015-16.

Kattupalli

- 115,227 TEUs handled during 2015-16. Grown 146% in Container and 114% in Break Bulk on year on year basis.
- Organized trade meet "KONNECT WITH KATTUPALLI" which received overwhelming response from customers & Stakeholders.

Logistics

- Hit the landmark figure of 100,000 MT coil movement by Rail in 2015-16 ex-Mundra. Coil warehouse annual volume was also a record at above 165,000 MT.
- Cargo and container tracking system has been developed and started to roll out. Web Service for exchange of data is under development.

New Ports:

Significant expansion plans of your Company have been completed and your Company is in process of implementing certain other expansion projects. Your Company is in process of developing Container Handing Terminal at Ennore Port, Tamil Nadu.

Your company has won the concession to develop and operate the deep water container port at Vizhinjam in Kerala. This port has the potential to emerge as an international port servicing the port requirements of southern India and emerging as a global transshipment hub on account of its close proximity to the international trade routes.

Besides, the company has commenced work on developing new container terminals at Mundra. The work on LNG and LPG terminals is under progress at Mundra and Dhamra.

Special Economic Zone:

As part of strategy for cluster based development, two separate clusters i.e (i) an Electronics Manufacturing Cluster (EMC) including solar energy equipment & its ancillary units and (ii) a Mega Food Park are being developed within the SEZ over an area of 259.70 Hectares and 23.10 Hectares respectively.

In addition to the 16 co-developers approved by Government of India for providing various infrastructure facilities, as at March 31, 2016, total 32 entities have obtained approval for setting up of their units in the SEZs. Some of them have already started operations & export activities. Some are under construction. These units have already invested about ₹1840 crores.

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

Other Group Developments:

- Adani Petronet (Dahej) Port Private Limited, a Joint Venture company with Petronet LNG Ltd., is the developer of Solid Cargo Port Terminal at Dahej in Gujarat. The cargo handling operations at the port is highly mechanized. The port is well connected with road and railway. The port handled 8.19 mmt of cargo during the year.
- Adani Hazira Port Private Limited had commenced commercial operations in financial year 2013-14. Emerging as an important port for liquids and container handling, the port handled 12.27 mmt of cargo during the year.
- The Dhamra Port Company Limited operates a deep draft, commercial port at Dhamra, Odisha. The port is equipped with state of the art handling equipment and technology which can caters the biggest dry bulk vessels calling to Indian Ports. The port handled 14.71 mmt of cargo during the year. The port is poised to become biggest and most efficient ports in East coast of India.
- Adani Murmugao Port Terminal Private Limited had commenced its commercial operation during last year. The port handled 1.81 mmt of cargo during the year.
- Adani Vizag Coal Terminal Private Limited had

commenced its commercial operation during last year. The port handled 0.88 mmt of cargo during the year.

- Adani Kandla Bulk Terminal Private Limited has commenced its commercial operation during last year. The port handled 3.73 mmt of cargo during the year.
- Adani International Container Terminal Private Limited, a 50:50 Joint Venture between Mediterranean Shipping Company Group and the Company is engaged in developing, operating and maintaining Container Terminal-III at Mundra Port. The terminal handled 15.68 mmt of cargo during the year. The terminal is one of the most mechanized container terminal of India and boasts at handling the largest container vessel ever to visit Indian Ports.

Competition:

APSEZL is able to compete against state-run as well as private ports because of factors such as state-of-art port infrastructure facilities including deep draft direct berthing facilities, domain expertise in the port services industry, established customer relationships and ability to facilitate port based development, consistent high-quality service and our ability to flexibly meet our customers' requirements including flexibility in tariffs. Despite common hinterland in northwest India which is shared with these ports, APSEZL has been successful in attracting substantial cargo increase year after year and the trend is expected to continue in the future as well. With its state of art container handling, storage and evacuation infrastructure, APSEZ's Mundra and Hazira Ports have emerged as preferred 'Port of Call' to key global liners.

Risk, Opportunity and Threats:

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

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

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

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

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

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

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

The audit committee of the Board of directors regularly reviews the adequacy & effectiveness of internal audit environment and monitor implementation of internal audit recommendations including those relating to strengthening of company's risk management policies & systems.

Human Resource Development:

APSEZL being the largest private port developer and operator is a premier workplace that attracts talent from all over the country. The Company provides a conducive work environment which motivates employees to put in their best efforts to achieve our ambitious targets and growth plans. Their talent and commitment fuel our vision to handle more than 300 MMT of volumes by the year 2020.

Human Resource Department is instrumental in building employees capabilities through structured talent acquisition and its development through technical and need based training. APSEZL enjoys harmonious employee relations which have been built over the years by taking various HR initiatives to enhance the employee morale.

Standalone Financial Performance with respect to operation performance:

Your Company has recorded total income to the tune of ₹5,603.78 crore during the financial year 2015-16 compared to ₹4,647.52 crore in the corresponding previous financial year.

Net Block of fixed assets of the Company as on March 31, 2016 is ₹8,519.62 crore as compared to ₹8,461.92 crore in the corresponding period in the previous year.

During the year, your Company generated earnings before interest, depreciation and tax (EBIDTA) of ₹4,267.76 crore as compared to ₹3,345.58 crore in the previous year.

Net profit after tax is ₹2,841.58 crore in the financial year 2015-16 as compared to ₹2,183.14 crore in the previous financial year.

Earnings per share stood at ₹13.72 on face value of ₹2 each.

Consolidated Financial Performance of the Company:

Your Company has recorded total income to the tune of ₹7,940.55 crore during the financial year 2015-16 compared to ₹6,837.62 crore in the corresponding previous financial year.

During the year, your Company generated earnings before interest, depreciation and tax (EBIDTA) of ₹5,335.34 crore compared to ₹4,587.95 crore in the previous year.

Net profit after tax is ₹2,867.36 crore in the financial year 2015-16, as compared to ₹2,314.33 crore in the previous financial year.

Earnings per share stood at ₹13.85 on face value of ₹2 each.

Cautionary Statement:

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

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

Annexure to the Directors' Report

CORPORATE GOVERNANCE REPORT

1. Company's philosophy on code of governance

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

Tenets of our Corporate Governance Philosophy-

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

The Company has complied with all the requirements stipulated under Clause 49 of the Listing Agreements and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations"), as applicable, with regard to Corporate Governance and listed below is the status with regard to same.

2. Board of Directors

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

a) **Composition of the Board:**

The Board currently comprises of 8 (eight) Directors out of which 6 (six) Directors are Non-Executive Directors. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013. All the Independent Directors have confirmed that they meet the criteria as mentioned under regulation 16(1)(b) of the SEBI Listing Regulations and Section 149 of the Companies Act, 2013. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

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

None of the Directors on the Company's Board is a Member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across all the companies in which he/ she is Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than 10 (ten) public companies as on March 31, 2016.

The composition of the Board of Directors and number of other Directorship & Memberships / Chairmanships of Committees as on March 31, 2016 are as under:

Name and DIN of Director	Category of Directorship	Directorship in other Companies#	Details of Committee##	
			Chairman	Member
Mr. Gautam S. Adani (Chairman & Managing Director) DIN: 00006273	Promoter & Executive Director	4	-	-
Mr. Rajesh S. Adani DIN: 00006322	Promoter & Non-Independent Director	7	3	4

Name and DIN of Director	Category of Directorship	Directorship in other Companies#	Details of Committee##	
			Chairman	Member
Dr. Malay Mahadevia DIN: 00064110	Executive Director	4	-	1
Prof. G. Raghuram DIN: 01099026	Independent & Non Executive Director	3	-	-
Mr. G. K. Pillai DIN: 02340756	Independent & Non Executive Director	4	-	-
Mr. Sanjay Lalbhai DIN: 00008329	Independent & Non Executive Director	6	1	1
Mr. A. K. Rakesh, IAS DIN: 00063819	GMB Nominee	9	-	-
Ms. Radhika Haribhakti DIN: 02409519	Independent & Non Executive Director	5	-	4
Mr. Sarthak Behuria[1] DIN: 06817333	Independent & Non Executive Director	4	1	1

[1]Appointed as an Additional Director w.e.f November 2, 2015 and resigned w.e.f closure of business hours on March 31, 2016
#Excluding Private Limited Companies, which are not the subsidiaries of Public Limited Companies, Foreign Companies, LLP, Section 8 Companies and Alternate Directorships.
##Includes only Audit Committee and Stakeholders' Relationship Committee.

b) **Board Meeting and Procedure:**

During the year under review, Board met six times on May 1, 2015, August 10, 2015, November 2, 2015, December 28, 2015, February 12, 2016 and March 15, 2016. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 days.

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

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

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

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

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

Name of Director	Meetings		Attendance at last AGM held on August 11, 2015
	Held during the tenure	Attended	
Mr. Gautam S. Adani	6	5	Yes
Mr. Rajesh S. Adani	6	5	Yes
Dr. Malay Mahadevia	6	5	Yes
Mr. Sudipta Bhattacharya[1]	4	3	Yes
Mr. Arun Duggal[2]	1	1	NA
Mr. D. T. Joseph[3]	2	2	Yes
Prof. G. Raghuram	6	5	Yes
Mr. G. K. Pillai	6	4	Yes
Mr. Sanjay Lalbhai	6	3	No
Mr. A. K. Rakesh, IAS	6	1	No
Ms. Radhika Haribhakti	6	5	Yes
Mr. Sarthak Behuria[4]	4	3	NA

[1]Ceased to be a Whole Time Director w.e.f December 31, 2015
[2]Ceased to be Director w.e.f June 30, 2015
[3]Ceased to be Director w.e.f October 1, 2015
[4]Ceased to be Director w.e.f March 31, 2016

c) **Code of Conduct:**

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

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

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

Dr. Malay Mahadevia, Whole Time Director is retiring at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

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

3. Committees of the Board

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

A) Audit Committee:

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

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

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

During the year under review, Audit Committee met five times on May 1, 2015, August 10, 2015, November 2, 2015, February 12, 2016 and March 29, 2016. The intervening gap between two meetings did not exceed four months.

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

Name and designation	Category	No. of Meetings	
		Held during the tenure	Attended
Prof. G. Raghuram, Chairman	Non-Executive & Independent Director	5	5
Mr. D. T. Joseph, Member[1]	Non-Executive & Independent Director	2	2
Mr. Rajesh S. Adani, Member	Non-Executive & Non-Independent Director	5	5
Mr. Arun Duggal, Member[2]	Non-Executive & Independent Director	1	1
Ms. Radhika Haribhakti, Member[3]	Non-Executive & Independent Director	4	4
Mr. Sarthak Behuria, Member[4]	Non-Executive & Independent Director	2	2

[1]Ceased to be Member w.e.f October 1, 2015

[2]Ceased to be Member w.e.f June 30, 2015

[3]Appointed as Member w.e.f July 31, 2015

[4]Ceased to be Member w.e.f March 31, 2016

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

Ms. Dipti Shah, Company Secretary and Compliance Officer act as Secretary of the Committee. The Chairman of the Committee was present at the last Annual General Meeting held on August 11, 2015.

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

b) **Broad Terms of reference:**

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
   b. Changes, if any, in accounting policies and practices and reasons for the same
   c. Major accounting entries involving estimates based on the exercise of judgment by management
   d. Significant adjustments made in the financial statements arising out of audit findings
   e. Compliance with listing and other legal requirements relating to financial statements
   f. Disclosure of any related party transactions
   g. Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a

public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of Information by Audit Committee:

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

B) Nomination & Remuneration Committee:

a) Constitution & Composition of Nomination & Remuneration Committee:

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

During the year under review, Nomination & Remuneration Committee met three times on May 1, 2015, November 2, 2015 and December 28, 2015.

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

Name and designation	Category	No. of Meetings	
		Held during the tenure	Attended
Prof. G. Raghuram, Chairman[1]	Non-Executive & Independent Director	2	2
Mr. D. T. Joseph, Member[2]	Non-Executive & Independent Director	1	1
Mr. Rajesh S. Adani, Member	Non-Executive & Non-Independent Director	3	3
Mr. Arun Duggal, Member[3]	Non-Executive & Independent Director	1	1
Ms. Radhika Haribhakti, Member[4]	Non-Executive & Independent Director	2	2

[1]Appointed as Chairman w.e.f October 31, 2015

[2]Ceased to be Member w.e.f October 1, 2015

[3]Ceased to be Member w.e.f June 30, 2015

[4] Appointed as Member w.e.f July 31, 2015

b) **Brief Terms of reference:**

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

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

c) **Remuneration Policy:**

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

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

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

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

Performance Evaluation Criteria for Independent Directors:

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

ii. **Remuneration to Executive Directors:**

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

d) **Details of Remuneration:**

i) **Non-Executive Directors:**

The details of sitting fees and commission paid to Non-Executive Directors during the financial year 2015-16 is as under:

(₹in Lacs)

Name	Commission	Sitting Fees	Total
Mr. Rajesh S. Adani	-	8.00	8.00
Mr. Arun Duggal[1]	3.00	0.60	3.60
Mr. D. T. Joseph[2]	6.00	1.40	7.40
Prof. G. Raghuram	12.00	3.20	15.20
Mr. G. K. Pillai	12.00	0.80	12.80
Mr. Sanjay Lalbhai	-	1.20	1.20
Mr. A. K. Rakesh, IAS (GMB Nominee)	-	0.20	0.20
Ms. Radhika Haribhakti	12.00	2.60	14.60
Mr. Sarthak Behuria[3]	4.96	1.00	5.96

[1]Ceased to be Director w.e.f June 30, 2015 [2]Ceased to be Director w.e.f October 1, 2015

[3]Ceased to be Director w.e.f March 31, 2016

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

ii) **Executive Directors:**

Details of remuneration paid/payable to Chairman & Managing Director and Whole Time Directors during the financial year 2015-16 is as under:

(₹in Lacs)

Name	Salary	Perquisites, Allowances & other Benefits	Commission*	Total
Mr. Gautam S. Adani	180.00	-	100.00	280.00
Dr. Malay Mahadevia	167.96	901.94	-	1069.90
Mr. Sudipta Bhattacharya#	125.69	188.54	-	314.23

*Payable in financial year 2016-17

#Ceased to be a Whole Time Director w.e.f December 31, 2015

iii) **Details of shares of the Company held by Directors as on March 31, 2016 are as under:**

Name	No. of shares held
Dr. Malay Mahadevia	16,34,188
Mr. Sarthak Behuria*	2,650

* Resigned w.e.f closure of business hours on March 31, 2016

The Company does not have any Employees' Stock Option Scheme and there is no separate provision for payment of Severance Fees.

C) Stakeholders Relationship Committee:

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

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

During the year under review, Stakeholders Relationship Committee met four times on May 1, 2015, August 10, 2015, November 2, 2015 and February 12, 2016.

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

Name and designation	Category	No. of Meetings	
		Held during the tenure	Attended
Prof. G. Raghuram, Chairman	Non-Executive & Independent Director	4	4
Mr. D. T. Joseph, Member[1]	Non-Executive & Independent Director	2	2
Mr. Rajesh S. Adani, Member	Non-Executive & Non-Independent Director	4	4
Ms. Radhika Haribhakti, Member[2]	Non-Executive & Independent Director	2	2

[1]Ceased to be Member w.e.f October 1, 2015 [2]Appointed as Member w.e.f October 31, 2015

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

b) **Brief terms of reference:**

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

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

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

Opening Balance	During the year		Pending Complaints
	Received	Resolved	
Nil	50	49	1*

*Complaint received on 22.02.2016 and ATR submitted with the SEBI on 25.02.2016. Review pending from SEBI's end as on 31.03.2016.

All complaints have been resolved to the satisfaction of shareholders.

D) Transfer Committee:

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

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

During the year under review, Transfer Committee met four times on April 23, 2015, August 1, 2015, December 7, 2015 and March 29, 2016.

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

Name and designation	Category	No. of Meetings	
		Held during the tenure	Attended
Mr. Gautam S. Adani, Chairman[1]	Executive Director	1	1
Mr. Rajesh S. Adani, Member	Non-Executive & Non-Independent Director	4	4
Dr. Malay Mahadevia, Member	Executive Director	4	4
Mr. Sudipta Bhattacharya, Member[2]	Executive Director	3	3

[1]Appointed as Member w.e.f January 8, 2016 [2]Ceased to be Member w.e.f December 31, 2015

b) **Brief terms of reference:**

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

E) Corporate Social Responsibility (CSR) Committee:

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

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

During the year under review, CSR Committee met two times on April 27, 2015 and August 10, 2015.

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

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

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

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

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and rules made there under.
2. To recommend the amount of expenditure to be incurred on the CSR activities.
3. To monitor the implementation of framework of CSR Policy.
4. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

c) **CSR Policy:**

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

F) Risk Management Committee:

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

During the year under review, Risk Management Committee met two times on May 1, 2015 and August 10, 2015.

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

Name	Category	No. of Meetings	
		Held during the tenure	Attended
Mr. Rajesh S. Adani	Chairman	2	2
Mr. Sanjay Lalbhai	Member	2	1
Mr. Sudipta Bhattacharya[1]	Member	2	2
Mr. G. J. Rao[1]	Member	2	2
Mr. B. Ravi	Member	2	2
Dr. Malay Mahadevia[2]	Member	-	-
Capt. Unmesh Abhyankar[2]	Member	-	-

[1]Ceased to be Member w.e.f January 8, 2016 [2]Appointed as Member w.e.f January 8, 2016

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

The Company Secretary Act as a Secretary to the Committee

4. Subsidiary Companies:

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

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

5. Whistle Blower Policy:

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

6. General Body Meetings:

a) Annual General Meetings:

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

Financial Year	Date	Location of Meeting	Time	No. of special resolutions passed
2012-13	08-08-2013	J. B. Auditorium, Ahmedabad Management Association, AMA Complex, Atira, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015.	9.30 a.m.	Nil
2013-14	09-08-2014	J. B. Auditorium, Ahmedabad Management Association, AMA Complex, Atira, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015.	9.30 a.m.	7
2014-15	11-08-2015	J. B. Auditorium, Ahmedabad Management Association, AMA Complex, Atira, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015.	9.30 a.m.	6

b) **Court Convened Meeting of Equity and Preference Shareholders of the Company:**
In accordance with the direction of the Hon'ble High Court of Gujarat, the meetings of the Equity Shareholders and Preference Shareholders of the Company were convened and held on Monday, April 20, 2015 at 10.30 a.m. and 12.30 p.m. respectively at J.B Auditorium, Ahmedabad Management Association, AMA Complex, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 to consider and approve the Composite Scheme of arrangement between Adani Enterprises Limited (AEL) and Adani Ports and Special Economic Zone Limited (APSEZ) and Adani Power Limited (APL) and Adani Transmission Limited (ATL) and Adani Mining Private Limited (AMPL) and their respective Shareholders and Creditors pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 or the Companies Act 2013 as applicable ("the Scheme"). The Equity Shareholders and Preference Shareholders of the Company had approved the Scheme with requisite majority.

c) **Whether special resolutions were put through postal ballot last year, details of voting pattern:**
No

d) **Whether any resolutions are proposed to be conducted through postal ballot:**
No Special Resolution requiring a postal ballot is being proposed at the ensuing Annual General Meeting of the Company.

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

7. Means of Communication:

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

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

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

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

8. General Shareholders Information:

a) **Company Registration details:**
The Company is registered in the State of Gujarat, India. The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs is L63090GJ1998PLC034182.

b) **Date, time and venue of the 17th Annual General Meeting:**
Tuesday, the August 9, 2016 at 10.30 a.m. at J. B. Auditorium Hall, Ahmedabad Management Association, AMA Complex, Atira, Dr. Vikaram Sarabhai Marg, Ahmedabad - 380 015.

c) **Registered Office:**
"Adani House", Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009

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

Particulars	:	Tentative Schedule
Quarterly Results	:	
Quarter ending on June 30, 2016	:	Mid August, 2016
Quarter ending on September 30, 2016	:	Mid November, 2016
Quarter ending on December 31, 2016	:	Mid February, 2017
Annual Result of 2016-17	:	End May, 2017

e) **Book closure date:**
The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, August 2, 2016 to Tuesday, August 9, 2016 (both days inclusive) for the purpose of 17th Annual General Meeting.

f) **Dividend Policy:**

Dividends, other than interim dividend(s), are to be declared at the annual general meetings of shareholders based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, the Company's future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The Board of Directors may also from time to time pay interim dividend(s) to shareholders.

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

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

Sr No	Particulars	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares in the suspense account lying in IPO Escrow Account as on April 1, 2015	364	27300
(ii)	Number of shareholders who approached issuer for transfer of shares from suspense account during the year	3	225
(iii)	Number of shareholders to whom shares were transferred from suspense account during the year	3	225
(iv)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	361	27075

h) **Listing on Stock Exchanges:**

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

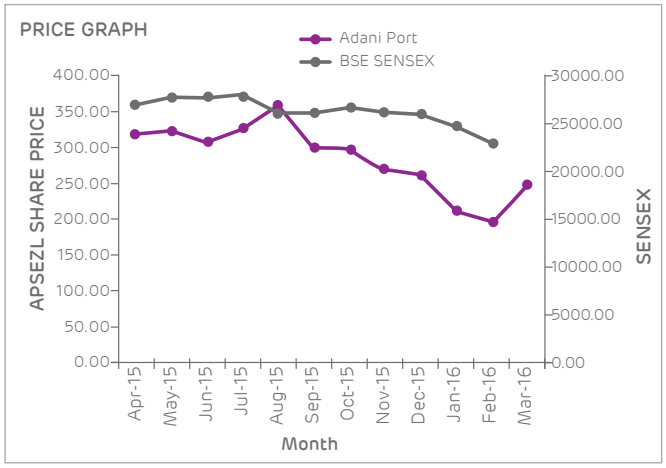
Name of Stock Exchange	Address	Code
BSE Limited (BSE)	Floor 25, P. J Towers, Dalal Street, Mumbai - 400 001	532921
National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	ADANIPORTS

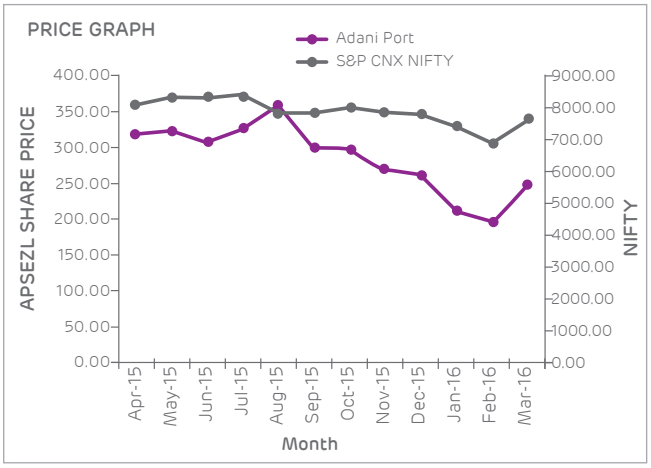
Annual listing fees for the year 2016-17 have been paid by the Company to BSE and NSE.

i) **Market Price Data:**

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2015	333.70	298.70	333.60	298.50
May, 2015	354.65	315.40	354.80	315.40
June, 2015	324.50	288.10	325.80	288.00
July, 2015	334.75	306.15	334.70	306.50
August, 2015	374.70	320.00	374.80	320.35
September, 2015	354.70	293.40	354.75	293.00
October, 2015	330.75	294.15	331.00	294.35
November, 2015	302.65	261.75	302.70	261.60
December, 2015	269.10	239.00	269.35	238.75
January, 2016	268.20	207.15	268.30	207.15
February, 2016	224.00	169.65	223.95	169.15
March, 2016	249.80	196.10	250.00	196.35

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





k) **Registrar & Transfer Agent:**

Name & Address	:	Link Intime India Private Limited
		C-13, Pannalal Silk Mills Compound, LBS Marg,
		Bhandup (West), Mumbai - 400 078
Tel. :		+91- 22- 2594 6970
Fax.	:	+91- 22- 2594 6969
E-mail	:	rnt.helpdesk@linkintime.co.in
Contact Person	:	Mr. Ajay Jadhav
Website	:	www.linkintime.co.in

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

In terms of the Section 205C of the Companies Act, 1956, the amount that remained unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

During the year under review, the unclaimed dividend amount for the year 2007-08 (final) and 2008-09 (interim) was transferred to the IEPF established by the Central Government under applicable provisions of the Companies Act.

m) **Share Transfer Procedure:**

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

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

n) **Shareholding as on March 31, 2016:**

(a) Distribution of Shareholding as on March 31, 2016:

No. of shares	No. of shares	% to Shares	Total no. of accounts	% to Total accounts
1-500	279,28,827	1.35	3,08,911	95.54
501-1000	54,53,249	0.26	7,306	2.26
1001-2000	45,12,985	0.22	3,117	0.96
2001-3000	29,07,258	0.14	1,151	0.36
3001-4000	17,02,455	0.08	489	0.15
4001-5000	19,28,438	0.09	415	0.13
5001-10000	51,39,468	0.25	727	0.22
10001 & above	202,13,79,081	97.61	1,224	0.38
Total	**207,09,51,761**	**100.00**	**3,23,340**	**100.00**

(b) Shareholding Pattern as on March 31, 2016:

Category	No. of shares held		Total No. of Shares	% of Holding
	Physical	Electronic		
Promoter Holding	-	1,16,78,08,474	1,16,78,08,474	56.39
Mutual Funds	-	7,03,95,435	7,03,95,435	3.399
Banks/FI/Central Govt./State Govt./ Trusts & Insurance Companies	-	7,36,11,024	7,36,11,024	3.56
Foreign Institutional Investors / Portfolio Investor	-	64,60,04,335	64,60,04,335	31.19
NRI/Foreign Nationals	-	91,15,833	91,15,833	0.44
Foreign Companies	-	59,690	59,690	0.00
Other Corporate Bodies	5,648	3,07,86,918	3,07,92,566	1.49
Clearing Member	-	20,52,863	20,52,863	0.099
Directors / Relatives of Director	-	16,86,008	16,86,008	0.08
Indian Public/HUF	6,39,427	6,87,86,106	6,94,25,533	3.35
Total	**6,45,075**	**2,07,03,06,686**	**2,07,09,51,761**	**100.00**

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

The Company's shares are compulsorily traded in dematerialized form. Equity shares of the Company representing 99.97% of the Company's share capital are dematerialized as on March 31, 2016.

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

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

p) **Listing of Debt Securities:**

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

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

IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001
Phone No. +91 22 4080 7000 Fax: +91 22 6631 1776
E-mail ID: itsl@idbitrustee.com
Website: www.idbitrustee.com

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

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

In the ordinary course of business, the Company is exposed to risks resulting from exchange rate fluctuation and interest rate movements. It manages its exposure to these risks through

derivative financial instruments. The Company's risk management activities are subject to the management, direction and control of Treasury Team of the Company under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Company. The Company's Treasury Team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored.

t) **Site location:**
"Adani House", Navinal Island, Mundra - 370 421, Kutch, Gujarat.

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

For transfer/dematerialization of shares, change of address of members and other queries.
Ms. P. Evelin Suba Latha
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai – 400 078
Tel. : +91- 22- 2594 6970
Fax. : +91- 22- 2594 6969
E-mail : rnt.helpdesk@linkintime.co.in

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

1. **The Board:**
Your Company has an Executive Chairman and hence, the need for implementing this non-mandatory requirement does not arise.

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

3. **Modified opinion(s) audit report:**
The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements.

4. **Separate posts of Chairperson and Chief Executive Officer:**
Mr. Gautam S. Adani is a Chairman and Mr. Karan Adani is a Chief Executive Officer of the Company.

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

9. Disclosures:

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

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

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

d) The Chief Executive Officer and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2016 in compliance with Regulation 17(8) of Listing Regulations. They have also provided quarterly certificates on financial results while placing the same before the Board pursuant to Regulation 33 of Listing Regulations.

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

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

g) The Company has also adopted Material Events Policy, Website Content Archival Policy and Policy on Preservation of Documents which is uploaded on the website of the Company at http://www.adaniports.com/investors/investor-download.

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

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

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

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

l) The Company has executed fresh Listing Agreements with the Stock Exchanges pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

m) As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking re-appointment at the forthcoming AGM are given herein and in the Annexure to the Notice of the 17th AGM to be held on August 9, 2016.

DECLARATION

I, Karan Adani, Chief Executive Officer of Adani Ports and Special Economic Zone Limited hereby declare that as of March 31, 2016, all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for Board of Directors and Senior Management Personnel laid down by the Company.

For Adani Ports and Special Economic Zone Limited

Place: Ahmedabad
Date: May 3, 2016

Karan Adani
Chief Executive Officer

CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of Corporate Governance by Adani Ports and Special Economic Zone Limited ("the Company") for the year ended on March 31, 2016 as stipulated in Clause 49 of the Listing Agreement and the applicable regulations of SEBI (Listing Obligations and Disclosures) Regulations, 2015 of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the above mentioned Listing Agreement and the applicable regulations of SEBI (Listing Obligations and Disclosures) Regulations, 2015.

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

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

Place: Ahmedabad
Date: May 3, 2016

CERTIFICATE OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We have reviewed the financial statements and the cash flow statements for the year ended March 31, 2016 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2016 which are fraudulent, illegal or violation of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that we have indicated to the auditors and the Audit Committee:
   a) there have been no significant changes in internal control over financial reporting during the year;
   b) there have been no significant changes in accounting policies during the year except which have been disclosed in the notes to the financial statements; and
   c) there have been no instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Ahmedabad
Date: May 3, 2016

Karan Adani
Chief Executive Officer

B. Ravi
Chief Financial Officer

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1. Corporate Identity Number (CIN) : L63090GJ1998PLC034182
2. Name of the Company : Adani Ports and Special Economic Zone Limited
3. Registered Address : "Adani House", Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad 380009 Gujarat, India
4. Website : www.adaniports.com
5. Email id : investor.apsezl@adani.com
6. Financial year reported : April 1, 2015 to March 31, 2016
7. Sector(s) that the Company is engaged in (industrial activity code-wise):
   Service category (ITC 4 digit) code 9967
   Service category (ITC 8 digit) code 99675111
   Description of service category Port Services
   As per National Industrial Classification - Ministry of Statistics and Programme Implementation.
8. List three key products that the Company manufactures/provides (as in balance sheet):
   The company is in the business of development, operations and maintenance of port infrastructure facilities and linked multi product Special Economic Zone (SEZ) and related infrastructure contiguous to Mundra Port.
9. Total number of locations where business activity is undertaken by the Company:
   The Company's main business activity is undertaken at Mundra Port (in Kutch, Gujarat).

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

   The Adani Group companies have presence in a total of 32 locations in India and 7 international locations (including offices).
10. Markets served by the Company : State, National, International

Section B: Financial Details of the Company

1. Paid up capital (INR) : ₹417.00 crore
2. Total turnover (INR) : ₹5603.78 crore
3. Total profit after taxes (INR) : ₹2841.58 crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax:
   The Company has spent ₹40.81 crore on CSR activities. This amounts to more than 2% of average profit for the previous three years in respect of standalone financial statements.
5. List of activities in which expenditure in 4 above has been incurred:
   The major activities in which Corporate Social Responsibility was undertaken are Education, Community Health, Sustainable Livelihood Development and Rural Infrastructure Development.

Section C: Other Details

1. Does the Company have any subsidiary company / companies?
   Yes, the Company has 23 subsidiary companies (including step-down subsidiaries) as on March 31, 2016.
2. Do the subsidiary company / companies participate in the Business Responsibility (BR) initiatives of the parent Company?
   Business Responsibility initiatives of the parent company are applicable to the subsidiary companies to the extent that they are material in relation to the business activities of the subsidiaries.

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

Section D: BR Information

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

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

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

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

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

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

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

3. **Governance related to BR:**

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

   The Company's Business Responsibility performance is assessed annually.

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

   This report comprises the Company's 4th Business Responsibility Report as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business (NVG) which is published as a part of Annual Report. The Company currently does not publish a separate Sustainability Report.

Section E: Principle-wise Performance

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

   The Company does not manufacture any products and the issue of recycle product does not arise. However, the Company complies with all applicable regulatory requirements pertaining to waste disposal as prescribed by the regulatory agencies.

Principle 3: Business should promote the wellbeing of all employees

1. Please indicate total number of employees:

   The Company has a total of 1306 employees as on March 31, 2016.

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

   The Company has a total of 1335 employees hired on contractual basis as on March 31, 2016.

3. Please indicate the number of permanent women employees:

   The Company has 9 women employees as on March 31, 2016.

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

   The Company has one permanent employee with disabilities as on March 31, 2016.

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

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

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

   Not applicable.

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

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

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

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

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

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

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

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

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

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

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

Education:

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

Adani Vidya Mandir (AVM), Bhadreshwar provides "Free of Cost" quality education to the deserving young minds coming from the weaker economic backgrounds. Presently, AVM, Bhadreshwar is empowering 379 meritorious students with primary education out of which 111 students are coming from fisher-folk communities. DPCL DAV Public School, Dhamra supported by Adani Foundation is providing quality english medium education at a subsidized cost to nearly 300 students from the periphery villages. Apart from this the Foundation has initiated and implemented several educational programmes benefitting nearly 9,940 students.

Project Udaan, an inspirational exposure tour has benefitted 7,869 students. The tour is facilitated by Adani Group with an objective to acquaint the students with the port terminal activities. These visits help students to understand the functioning of ports and the role of ports in trade and economic growth of the country. The visits are aimed to facilitate young minds to get inspired so that they could become entrepreneurs, innovators and achievers of tomorrow.

Community Health:

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

Community healthcare facilities are being catered through Mobile Health Care Units (MHCU), at remote rural locations. The MHCU has reached out to 79,520 patients. Apart from MHCUs rural clinics are catering to health needs of 66,513 patients. The Foundation has facilitated awareness campaigns, medical support, primary health care and financial assistance benefitting 32,474 patients.

Senior Citizen Health Card Scheme is a unique health based initiative of the Foundation. The scheme primarily focusses on the rural senior citizens with a quest to support them with necessary health based assistance. The Senior Citizen Health Card scheme currently is spread across 66 villages in Kutch District; with a total number of beneficiaries being for 7,487 senior citizens.

Also the Foundation with an objective to curb malnourishment had identified 120 children with support of ICDS and helped recovery and normalisation of 111 children.

Sustainable Livelihood Development:

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

Adani Foundation through Adani Skill Development Centre (ASDC) is creating an environment where every youth and women gets some employable skill through training. In the year 2015-16, ASDC trained 1016 candidates out of which 578 were women. Many of the students trained in ASDC have been able to secure jobs in various organizations. While fisher-folks have been provided with employment during non-fishing months through trainings on mangrove plantations and avenues of painting works to generate alternate source of income, a total of 3,681 and 7,020 man-days of employment, in mangrove plantation and painting works respectively,

have been provided to the community members during the financial year. Apart from these, 2,285 fishermen have benefitted through various welfare and support programmes of the Foundation.

Adani Foundation supported Self-Help Groups (SHGs) have benefitted 116 women. Apart from SHG, the Foundation is dedicated to provide the farmers with technological support in agriculture which involves practical trainings and exposure visits. A total of 118 farmers went on various exposure trips to Krishi Vikas Kendra (KVK) to learn various technologies used in agriculture.

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

The Foundation has carried out various village development activities including construction of individual household toilets and installation safe drinking water facilities. Besides, a total of 140 shelters have been handed over to fisher-folk families at Juna Bandar and another 110 shelters have been constructed at Luni Bandar.

Other Activities
The Foundation is supporting Mandeep Jangra (Boxing), Inderjeet Singh (Shot put), Khushbir Kaur (Race Walker), Malaika Goel (Air Gun), Sanjivani Jadhav (Athletics), Ankita Raina (Tennis) and Pinki Rani(Boxing) heading to Rio and other international events.

Principle 5: Business should respect and promote human rights

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

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

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

   No stakeholder complaints other than mentioned in the Corporate Governance Report attached were received during the financial year.

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

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

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

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

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

   The Company has also conducted Carbon footprint assessment for Mundra and Hazira and based on assessment company will focus on reduction in energy consumption and emissions through various technical and technological interventions.

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

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

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

evaluate the marine operations safety.

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

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

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

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

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

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

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

   Under the inspiration from Clean India movement, Company has developed a vision for Zero Waste and accordingly taken various initiatives at Mundra by focusing on 5R principles of waste management i.e. Reduce, Reuse, Reprocess, Recycle and Recover.

   - Entire treated sewage is reused for horticulture purpose
   - Municipal Solid Waste is sent for recovery of valuable materials. Remaining material is decomposed through waste destruction machine and thereby reducing the burden on MSW landfills
   - Used Oil/Spent Oil is recycled through oil recovery
   - Oil is recovered from pigging activities through compression and thereby reduces the volume of pigging to be treated.
   - Oily cotton waste is reused as a fuel in co-processing at cement kiln
   - Kitchen/Food waste is converted to manure which is used for horticulture requirements.
   - Oil Water Separator is installed for recovery of oil.

   These initiatives are already under consideration at other port locations to achieve the goal of making APSEZ – a zero waste company.

   The Company has started process for sustainability reporting as per GRI-G4 guidelines.

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

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

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

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

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

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

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

Yes, through its membership in the above bodies, the Company has advocated on the key areas of energy security and electricity pricing, food security with respect to edible oil and pulses, increasing the productivity of coal mining, and improving the logistics and rail connectivity of ports.

Principle 8: Business should support inclusive growth and equitable development

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

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

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

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

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

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

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

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

   The Company's monetary contribution to community development projects in financial year 2015-16 was ₹40.81 crores. The focus areas of the Company's community development projects are outlined in response to Question 5 under Section B.

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

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

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

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

Customers have always been pivotal in shaping our strategies and developing business. In order to enhance our Customer Centricity levels way ahead of the market place, we have

established a dedicated Customer Service Cell (CSC). The CSC would be single point of contact for all the customers trying to reach out and interact with us. We have already had initial success at CSC and customers have appreciated this initiative.

1. What Percentage of customer complaints / consumer cases are pending as on the end of financial year 2015-16?

   There are no customer complaints / consumer cases pending as of end of financial year 2015-16.

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

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

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

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

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

   Company actively seeks function-wise feedback from various stakeholders. For example, vessel feedback is collected from vessel masters for vessels handled at the Port. Similarly, transporters' and port users' feedback is sought by security function. The output of the survey was in form of concise actionable points and the same helped the port improvise the services and infrastructure provided by the port to various port users.

Independent Auditor's Report

To the Members of
ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Adani Ports and Special Economic Zone Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit, and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:

(a) Note 36(m) of the accompanying standalone 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 39 of the accompanying standalone 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 42 of the accompanying standalone 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 opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone 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 written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 36 to the financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 8 to the financial statements;

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

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 03, 2016

Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date for the year ended March 31, 2016

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

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

(c) According to information and explanations given by the management, the title deeds of immovable properties, included in fixed assets except for the immovable property in the nature of reclaimed land having Gross Book Value (GBV) aggregating ₹ 202.21 crores and Net Book Value (NBV) aggregating ₹ 181.35 crores and residential flats having GBV of ₹ 131.04 crores and NBV of ₹ 119.33 crores which are not registered in the name of the Company. Also refer note 12 of the financial statements.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) The Company has granted loans to twenty two companies covered in the register maintained under section 189 of the Companies Act, 2013. The loans have been granted based on approval of Finance Committee at varying terms and conditions which in our opinion and according to the information and explanations given to us, the terms and conditions are generally not prejudicial to the Company's interest.

(b) In respect of loans granted to parties covered in the register maintained under section 189 of the Companies Act, 2013, repayment of the principal amount and payment of interest has been regular, except, in respect of certain loan transactions aggregating ₹ 4,500.35 crores whereby the Company has amended/extended/rolled over the Schedule of repayment of principal and payment of interest, rate of interest, than as stipulated at the time of grant of loan.

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

(iv) In our opinion and according to the information and explanations given to us, and considering the legal opinion taken by the Company on applicability of section 185 of the Companies Act, 2013, in respect of certain loan transactions and that the same have been given in the ordinary course of the business, the Company has complied with the provisions of section 185 of the Companies Act 2013. Further, based on the information and explanations given to us, being an infrastructure company, provision of section 186 of the Companies Act, 2013 is not applicable to the Company and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

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

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

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

(c) According to the records of the Company, the dues outstanding of service tax, customs duty, excise duty and income tax on account of any dispute, are as follows:

Name of Statute	Nature of Tax	Amount (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Custom Duty	2.00	Jun-08	Commissioner of Customs & Central Excise, Ahmedabad
Customs Act, 1962	Custom Duty	0.14	July, 2003	Assistant Commissioner of Customs, Mundra
Customs Act, 1962	Custom Duty	0.25	August, 2007	Deputy Commissioner of Customs, Mundra
Finance Act, 1994	Service Tax	6.72	December 2004 to March 2006	Supreme court
	Service Tax	0.56	October 2003 to August 2005	Commissioner (Appeals) Rajkot
	Service Tax	42.51	April 2006 to September 2007	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
	Service Tax	66.96	October 2007 to September 2008	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
	Service Tax	77.54	October 2008 to September 2009	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
	Service Tax	0.61	September 2009 to March 2010	Commissioner of Service Tax, Ahmedabad.
	Service Tax	116.84	October 2009 to September 2011	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
Finance Act, 1994	Service Tax	0.87	April 2011 to September 2011	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
	Service Tax	30.64	April 2011 to March 2012	Commissioner of Service Tax, Ahmedabad
	Service Tax	23.36	April 2012 to September 2012	Commissioner / Addl. Commissioner of Service Tax, Ahmedabad
	Service Tax	28.35	October 2012 to March 2013	Commissioner / Joint Commissioner of Service Tax, Ahmedabad
	Service Tax	26.06	April 2013 to September 2013	Commissioner / Joint Commissioner of Service Tax, Ahmedabad
	Service Tax	34.41	October 2013 to March 2014	Commissioner / Joint Commissioner of Service Tax, Ahmedabad
Finance Act, 1994	Service Tax	6.72	April 2004 to August 2009	High Court of Gujarat
	Service Tax	0.15	April 2009 to March 2010	Commissioner of Service Tax, Ahmedabad
	Service Tax	0.02	2010-11	Commissioner of Service Tax, Ahmedabad
Income Tax Act 1961	Income Tax	19.76	AY 2009 - 10	Income Tax Appellate Tribunal
	Income Tax	11.98	AY 2010 – 11	
	Income Tax	41.29	AY 2011 – 12	
	Income Tax	12.59	AY 2012 – 13	CIT (Appeal)

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

(ix) In our opinion and according to the information and explanations given by the management and on an overall examination of the balance sheet, the monies raised by way debt instruments in the nature of foreign currency bonds and term loans were applied for the purposes for which those were raised, though idle/

surplus funds which were not required for immediate utilization have been temporarily invested in fixed deposits / mutual funds.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

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

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

(xiii) According to the information and explanations given by the management and considering the legal opinion obtained by the management in respect of transactions related to advance given for purchase of equity shares and certain immovable properties that these transactions have been entered into with the related parties in the ordinary course of business and transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

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

Place of Signature: Ahmedabad
Date : May 03, 2016

Annexure 2 to the Independent Auditors' Report of even date on the standalone 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")

To the Members of
ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

We have audited the internal financial controls over financial reporting of Adani Ports and Special Economic Zone Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place of Signature: Ahmedabad
Date : May 03, 2016

Balance Sheet as at March 31, 2016

(₹ in Crores)

Particulars	Notes	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND			
Share Capital	3	417.00	416.82
Reserves and Surplus	4	13,211.38	10,786.34
Sub Total		13,628.38	11,203.16
NON-CURRENT LIABILITIES			
Long-Term Borrowings	5	10,188.14	8,499.11
Deferred Tax Liabilities	6	782.13	716.50
Other Long-Term Liabilities	7	741.93	831.57
Long-Term Provisions	8	63.72	210.70
Sub Total		11,775.92	10,257.88
CURRENT LIABILITIES			
Short-Term Borrowings	9	3,194.16	1,304.88
Trade Payables	10		
- Total Outstanding dues of Micro and Small Enterprises		0.26	0.23
- Total Outstanding dues of creditors other than Micro and Small Enterprises		185.02	187.58
Other Current Liabilities	11	2,707.08	2,396.33
Short-Term Provisions	8	82.52	457.04
Sub Total		6,169.04	4,346.06
Total		31,573.34	25,807.10
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible Assets	12	8,465.07	8,404.07
Intangible Assets	12	54.55	57.85
Capital Work-In-Progress	33	856.60	663.19
		9,376.22	9,125.11
Non-Current Investments	13	4,988.98	4,762.28
Loans and Advances	14	10,280.76	5,033.99
Trade Receivables	17	5.36	424.42
Other Non-Current Assets	18	1,317.31	478.21
Sub Total		25,968.63	19,824.01
CURRENT ASSETS			
Current Investments	15	128.00	202.87
Inventories	16	124.82	179.46
Trade Receivables	17	1,181.26	748.98
Cash and Bank Balances	19	937.62	495.83
Loans and Advances	14	2,572.68	3,690.65
Other Current Assets	18	660.33	665.30
Sub Total		5,604.71	5,983.09
Total		31,573.34	25,807.10
Summary of significant accounting policies.	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Arpit K. Patel
Partner
Membership No. 34032

Place: Ahmedabad
Date: May 03, 2016

For and on behalf of the Board of Directors

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

Rajesh S. Adani
(Director)
DIN: 00006322

Dr. Malay Mahadevia
(Wholetime Director)
DIN: 00064110

B Ravi
(Chief Financial Officer)

Place: Ahmedabad
Date: May 03, 2016

Dipti Shah
(Company Secretary)

Statement of Profit & Loss for the year ended March 31, 2016

(₹ in Crores)

Particulars	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
INCOME			
Revenue from Operations (net)	20	4,630.75	3,909.36
Other Income	21	973.03	738.16
Total Revenue		**5,603.78**	**4,647.52**
EXPENSES			
Operating Expenses	22	816.33	885.54
Employee Benefits Expenses	23	180.39	157.56
Finance Costs	25	822.10	708.79
Depreciation and Amortization Expense (refer note 2.1 (a) (i) and (iii))		521.93	488.62
Other Expenses	24	339.30	258.84
Total Expenses		**2,680.05**	**2,499.35**
Profit before Tax		**2,923.73**	**2,148.17**
Tax Expense:			
- Current Tax (Minimum Alternate Tax) (MAT) (refer Note 32)		624.34	450.60
- MAT Credit Entitlement (Incl. additional MAT credit, refer note 36 (m))		(607.82)	(510.79)
- Excess Provision of Earlier Years Written Back		–	(31.29)
- Deferred Tax Charge		65.63	56.51
Profit for the year		**2,841.58**	**2,183.14**
Earning per Equity Share (in ₹) face value of ₹ 2 each	26		
- Basic		13.72	10.55
- Diluted		13.72	10.55
Summary of significant accounting policies.	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Arpit K. Patel
Partner
Membership No. 34032

Place: Ahmedabad
Date: May 03, 2016

For and on behalf of the Board of Directors

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

Rajesh S. Adani
(Director)
DIN: 00006322

Dr. Malay Mahadevia
(Wholetime Director)
DIN: 00064110

B Ravi
(Chief Financial Officer)

Place: Ahmedabad
Date: May 03, 2016

Dipti Shah
(Company Secretary)

Cash Flow Statement for the year ended March 31, 2016

(₹ in Crores)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A. Cash Flow from Operating Activities		
Net Profit Before Tax	**2,923.73**	**2,148.17**
Adjustments for:		
Depreciation and Amortization Expense	521.93	488.62
Unclaimed Liabilities / Excess Provision Written Back	(5.19)	(2.02)
Amortisation of Cost of Land Lease	6.09	0.02
Amortisation of Amounts received under Long Term Land Lease / Infrastructure Usage Agreements	(50.91)	(50.91)
Interest Expenses	856.14	745.36
Amortisation of Ancillary Finance Cost	45.89	16.98
Derivative (Gain)	(104.70)	(61.34)
Unrealised Foreign Exchange Loss	85.44	69.10
Provision for doubtful debts /Advances	13.26	–
Interest Income	(919.27)	(705.53)
Dividend Income	(1.76)	(10.52)
Profit on sale of Current Investment	(25.94)	–
Loss on Sale of Fixed Assets	2.88	1.62
Operating Profit before Working Capital Changes	**3,347.59**	**2,639.55**
Adjustments for:		
(Increase) / Decrease in Trade Receivables	(10.18)	96.63
Decrease / (Increase) in Inventories	15.13	(36.43)
(Increase) in Other Assets	(800.93)	(306.54)
(Increase) in Loans and Advances	(316.08)	(41.69)
Increase in Provisions	13.28	11.66
(Decrease) in Trade Payables	(7.07)	(27.03)
Increase in Other Liabilities	33.03	85.84
Cash Generated from Operations	**2,274.77**	**2,421.99**
Direct Taxes (paid) (Net of Refunds)	(615.67)	(431.68)
Net Cash flow from Operating Activities	**1,659.10**	**1,990.31**
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets including Capital work in progress and Capital Advances	(501.75)	(467.05)
Capital Advance Received Back	–	555.00
Deposits given against Capital Commitments	(600.00)	–
Investments made in Subsidiaries / Associates	(78.60)	(159.70)
Investment made in Non Convertible Redeemable Debentures	(150.00)	–
Payment/Advance paid towards Acquisition of Subsidiaries	(302.00)	(2,242.69)
Refund of Share Application Money	–	2.79
Proceed from Sale Investment in Associates and others	1.90	0.13
Inter-corporate Deposit / Loans given	(8,281.98)	(4,591.54)
Inter-corporate Deposit/ Loans received back	6,052.03	2,498.66
Proceeds from / (Deposits in) Fixed Deposits with a maturity period of more than 90 days (net)	(291.27)	268.34
Sale/ (Purchase) of Investments in Mutual Fund (net) (refer note 3)	101.57	(194.35)
Proceeds from Sale of Fixed Assets	14.10	7.59
Dividend Received	1.00	2.00
Interest Received	952.43	764.34
Net Cash flow used in Investing Activities	**(3,082.57)**	**(3,556.48)**

Cash Flow Statement for the year ended March 31, 2016

(₹ in Crores)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings (Including bond issue proceeds)	9,346.28	2,710.00
Repayment of Long Term Borrowings (including Debentures)	(7,919.02)	(824.89)
Proceeds from Short Term Borrowings	15,855.47	1,476.69
Repayment of Short Term Borrowings	(13,969.26)	(577.48)
Interest & Finance Charges Paid	(874.25)	(707.04)
(Loss)/ Gain on settlement/cancellation of derivative contracts	(122.47)	81.64
Cost of Issuance of Bonds/ Debentures and Premium paid on redemption of debenture	(88.63)	–
Payment of Dividend on Equity and Preference Shares	(455.05)	(206.91)
Tax on Equity and Preference Share Dividend Paid	(92.74)	(35.18)
Net Cash Flow from Financing Activities	**1,680.33**	**1,916.83**
D. Net Increase in Cash and Cash Equivalents (A+B+C)	**256.86**	**350.66**
E. Cash and Cash Equivalents at the Beginning of the Year	**443.01**	**92.35**
F. Cash and Cash Equivalents at the End of the Year	**699.87**	**443.01**
Components of Cash & Cash Equivalents		
Cash on Hand	0.02	0.01
Cheque on hand	150.00	100.00
Balances with Scheduled Banks		
- On Current Accounts	448.35	31.72
- On Current Accounts Earmarked for unpaid dividend	1.50	1.04
- On Fixed Deposit Accounts	100.00	310.24
Cash and Cash Equivalents at end of the year (refer note 19)	**699.87**	**443.01**
Summary of significant accounting policies.	2.1	

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) Rules, 2014.

2 During the year ended March 31, 2016, the Company has converted inter corporate deposit of ₹ 50.05 crore given to BMV Developers Private Limited in to Security Deposit. During the previous year ended March 31, 2015, the Company has converted interest free loan ₹ 500 crore given to a wholly owned subsidiary of the Company (The Dhamra Port Company Limited) in to Equity Shares of ₹ 500 crore equivalent to 50,00,00,000 equity shares of ₹ 10 each. Thus the impact of these transactions have not been given in the cash flow statements.

3 Purchase of investment in Mutual Fund of ₹ 41,141.97 crore (previous year ₹ 10,297.77 crore) and sale of Mutual Fund of ₹ 41,243.54 crore (previous year ₹ 10,103.42 crore).

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 & 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 & Managing Director)
DIN: 00006273

Rajesh S. Adani
(Director)
DIN: 00006322

Dr. Malay Mahadevia
(Wholetime Director)
DIN: 00064110

B Ravi
(Chief Financial Officer)

Place: Ahmedabad
Date: May 03, 2016

Dipti Shah
(Company Secretary)

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

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 for clubbing of three notified SEZ in Mundra vide letter dated March 15, 2016 of Ministry of Commerce and Industry, Department of Commerce (SEZ Section).

2 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) Rules, 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.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Change in Accounting Policy

i) Component Accounting

The company has adopted Schedule II to the Companies Act, 2013, for depreciation purposes, from April 01, 2015. The company 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 company has changed the manner of depreciation for its tangible assets. Now, the company 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 company 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.

Notes to the Financial Statements for the year ended March 31, 2016

Had the company continued to use the earlier policy of depreciating tangible asset, the profit for the current period would have been lower by ₹ 29.06 crore (net of tax impact of ₹ 7.89 crore) and the tangible asset would correspondingly have been lower by ₹ 36.95 crore.

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 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 the Company followed the same accounting policy as in the previous year, net profit for year ended March 31, 2016 have been lower by ₹ 43.50 crores. The cumulative impact of all derivative contracts outstanding as at that date of the Guidance Note becoming effective, amounting to ₹ 0.40 crores 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 (Insurance Spares) Accounting**

During the current year, the Company capitalise spare parts, stand-by and servicing equipment which the company 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 company 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 ₹ 39.51 crores, Fixed Assets would have been lower by ₹ 39.51 crores, depreciation would have been lower by ₹ 4.81 crores, and profit for the current period would have been higher by ₹ 4.81 crores

b) **Use of estimates**

The preparation of 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 the 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 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 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 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 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 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 Company 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 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 Company 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 and approved Supplementary Concession Agreement by Gujarat Maritime Board, as applicable. As mentioned in note -1
Leasehold Land Development	Over the balance period of Concession Agreement and approved Supplementary Concession Agreement by Gujarat Maritime board as applicable as mentioned in note 1.
Marine Structure, Dredged Channel, Building RCC Frame Structure	50 Years as per concession agreement
Dredging Pipes - Plant and Machinery	1.5 Years
Nylon and Steel coated belt on Conveyor - Plant and Machinery	4 Years and 10 Years respectively
Inner Floating and outer floating hose, String of Single Point Mooring - Plant and Machinery	6 Years
Fender, Buoy installed at Jetty - Marine Structures	5 - 10 Years
Bridges, Drains & Culverts	25 Years as per concession agreement
Carpeted Roads – Other than RCC	10 Years
Tugs	20 Years as per concession agreement

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 Gujarat Maritime Board ('GMB') for consideration equivalent to the Depreciated Replacement Value (the 'DRV'). Currently DRV is not determinable, accordingly, residual value of contract asset is considered to be the carrying value based on depreciation rates as per management estimate/ Schedule II of the Companies Act, 2013 at the end of concession period.

Notes to the Financial Statements for the year ended March 31, 2016

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 Company'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.

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 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 in to 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 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 Company 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 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 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 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 interest income is recognized in statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the 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 statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the 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. 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 comprise specific contract costs and other directly attributable overheads including borrowing costs which can be 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.

Notes to the Financial Statements for the year ended March 31, 2016

l) **Royalty on Cargo**

Watyerfront 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.

m) **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**

Revenue from port operation services including cargo handling, storage and rail infrastructure are recognized on proportionate completion method basis based on 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.

iii) **Deferred Infrastructure Usage**

Income from infrastructure usage fee collected 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 reasonably, 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) **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.

vi) **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".

vii) **Dividends**

Revenue is recognized when the Company's right to receive payment is established by the balance sheet date.

n) **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 Company accounts for exchange difference arising on translation / settlement of foreign currency monetary items 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 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 instruments**

The Company 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 Company has voluntarily adopted the "Guidance Note on Accounting for Derivative Contracts" issued by the Institute of Chartered Accountants of India. Accordingly, the Company 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.

Notes to the Financial Statements for the year ended March 31, 2016

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

iv) Actuarial Gains/ Losses

Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

p) Income Tax

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.

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 Company availing tax deduction under Section 80IAB 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 Company's gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, 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 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.

q) **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.

r) **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.

s) **Segment Reporting Policies**

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 Company. The analysis of geographical segments is not required as the Company's operations are within single geographical segment i.e. India.

t) **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.

u) **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 contingent liabilities but discloses it's existence in the financial statement.

Notes to the Financial Statements for the year ended March 31, 2016

3 SHARE CAPITAL

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Authorized shares		
50,00,000 (previous year 50,00,000) Non Cumulative Redeemable Preference Shares of ₹ 10 each	5.00	5.00
4,97,50,00,000 (previous year 4,97,50,00,000) Equity Shares of ₹ 2 each	995.00	995.00
	1,000.00	**1,000.00**
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).	**2.81**	**2.81**
2,07,09,51,761 (previous year 2,07,00,51,620) fully paid up Equity Shares of ₹ 2 each.	414.19	414.01
Total issued, subscribed and fully paid-up share capital	**417.00**	**416.82**

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 Crores)	No.	(₹ in Crores)
At the beginning of the year	28,11,037	2.81	28,11,037	2.81
Outstanding at the end of the year	**28,11,037**	**2.81**	**28,11,037**	**2.81**

Equity Shares	March 31, 2016		March 31, 2015	
	No.	(₹ in Crores)	No.	(₹ in Crores)
At the beginning of the year	2,07,00,51,620	414.01	2,07,00,51,620	414.01
Add- Issued during the year (refer note 42)	1,55,32,61,781	310.65	–	–
Less- Cancelled during the year (refer note 42)	(1,55,23,61,640)	(310.47)	–	–
Outstanding at the end of the year	**2,07,09,51,761**	**414.19**	**2,07,00,51,620**	**414.01**

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 28,11,037 0.01 % Non-Cumulative Redeemable Preference Shares ('NCRPS') of ₹ 10 each issued at a premium of ₹ 990 per share. Each holder of preference shares has a right to vote only on resolutions placed before the company which directly affects the right attached to preference share holders. These shares are redeemable on March 28, 2024 at an aggregate premium of ₹ 278.29 crore (equivalent to ₹ 990.00 per share). 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.

Notes to the Financial Statements for the year ended March 31, 2016

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:

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Adani Enterprise Limited, the holding company		
NIL (previous year 1,55,23,61,640) equity share of ₹ 2 each fully paid	–	310.47

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)	87,73,17,807	42.36%	–	–
ii) Adani Properties Private Limited	14,05,12,153	6.78%	–	–
iii) Vinodbhai Shantilal Adani	13,07,94,953	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.

Notes to the Financial Statements for the year ended March 31, 2016

4 RESERVES AND SURPLUS

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Securities Premium Account		
- Preference		
Balance as per the last financial statements	125.25	139.16
Less: transferred to Preference Share Capital Redemption Premium Reserve	(13.91)	(13.91)
Closing Balance	**111.34**	**125.25**
- Equity		
Balance as per the last financial statements	2,644.12	2,644.12
Less - During the year utilisation towards (refer note 41)		
a) Bond Issue Expenses	(39.75)	–
b) Difference Between Issue Price and Face Value of Bond	(19.80)	–
c) Premium paid on Buy Back of Debentures	(42.39)	–
d) Costs incurred on Issue of Debentures	(6.49)	–
Closing Balance	**2,535.69**	**2,644.12**
Debenture Redemption Reserve		
Balance as per the last financial statements	399.38	120.45
Add: transferred from surplus balance in the statement of profit and loss	515.38	368.68
Less: transferred to General Reserve	(275.88)	(89.75)
Closing Balance	**638.88**	**399.38**
Capital Redemption Reserve		
Balance as per the last financial statements	1.54	1.40
Add: transferred from surplus balance in the statement of profit and loss	0.14	0.14
Closing Balance	**1.68**	**1.54**
Preference Share Capital, Redemption Premium Reserve		
Balance as per the last financial statements	153.05	139.14
Add: transferred from Securities Premium Account	13.91	13.91
Closing Balance	**166.96**	**153.05**
General Reserve		
Balance as per the last financial statements	1,320.55	1,012.49
Add: transferred from surplus balance in the statement of profit and loss	–	218.31
Add : Excess of net assets taken over under scheme of demerger (refer note 42)	26.80	–
Add : transferred from Debenture Redemption Reserve	275.88	89.75
Closing Balance	**1,623.23**	**1,320.55**
Foreign Currency Monetary Item Translation Difference Account		
Balance as per the last financial statements	(199.52)	(178.69)
Add : foreign currency (Loss) during the year	(160.84)	(80.16)
Less : amortised in statement of profit and loss	99.71	59.33
Closing Balance	**(260.65)**	**(199.52)**
Surplus in the statement of profit and loss		
Balance as per last financial statements	6,341.97	5,041.00
Profit for the year	2,841.58	2,183.14
	9,183.55	**7,224.14**
Less: Appropriations		
Final Dividend on Preference Shares	*–	*–
Tax on final Dividend on Preference Shares (including surcharge)	*–	*–
Interim Dividend on Equity Shares	227.80	–
Tax on Interim Equity Dividend (including surcharge)	46.38	–
Proposed Final Dividend on Equity Shares	–	227.71
Tax on Final Equity Dividend (including surcharge)	–	46.36
Depreciation charged to Retained Earning (Net of Deferred tax)	–	20.97
Marked to market opening gain to retained earning (refer note 2.1 (a) (ii))	(0.40)	–
Transfer to Capital Redemption Reserve	0.14	0.14
Transfer to General Reserve	–	218.31
Transfer to Debenture Redemption Reserve	515.38	368.68
Net Surplus in the statement of profit and loss	**8,394.25**	**6,341.97**
* Figures being nullified on conversion to ₹ in crore.		
Total Reserves and surplus	**13,211.38**	**10,786.34**

Notes to the Financial Statements for the year ended March 31, 2016

5 LONG-TERM BORROWING

(₹ in Crores)

Particulars	Non-current portion		Current maturities	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
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 ₹ 495 crore has been redeemed before maturity.	494.00	989.00	–	–
9,000 (previous year NIL) 9.05% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Bullet Redeemable of ₹ 750 crore on April 18, 2019 and ₹ 150 crore on May 22, 2019)	900.00	–	–	–
5,000 (previous year NIL) 9.15% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Bullet Redeemable on April 28, 2017)	500.00	–	–	–
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 ₹ 20.00 crore has been redeemed before maturity.	170.00	510.00	320.00	–
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).	–	500.00	500.00	–
4,000 (previous year 10,000) 9.80% Secured Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Redeemable at 1 instalment of ₹ 400 crore payable on June 18, 2016).	–	400.00	400.00	600.00
2,000 (previous year 5,000) 10.05% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Redeemable at 1 instalment of ₹ 200 crore payable on June 15, 2016).	–	200.00	200.00	300.00
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).	95.00	581.00	55.00	64.00
Term loans				
Foreign currency loans:				
From banks (secured)	1,758.50	4,424.67	219.48	788.38
From banks (unsecured)	1,964.06	14.75	335.45	3.69
From Other financial institutions (secured)	–	179.69	–	31.25
3.50% Foreign Currency Bond priced at 195 basis points over the 5 years US Treasury Note (unsecured)	4,306.58	–	–	–
Rupee loans:				
From banks (secured)	–	700.00	–	52.00
Suppliers bills accepted under foreign currency letters of credit				
From banks (secured)	–	–	82.65	121.59
From banks (unsecured)	–	–	14.55	–
	10,188.14	**8,499.11**	**2,127.13**	**1,960.91**

Notes to the Financial Statements for the year ended March 31, 2016

(₹ in Crores)

Particulars	Non-current portion		Current maturities	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
The above amount includes				
Secured borrowings	3,917.50	8,484.36	1,777.13	1,957.22
Unsecured borrowings	6,270.64	14.75	350.00	3.69
Amount disclosed under the head "other current liabilities" (refer note 11)	–	–	(2,127.13)	(1,960.91)
Net amount	**10,188.14**	**8,499.11**	**–**	**–**

1 Debentures include Secured Non-Convertible Redeemable Debentures amounting to ₹ 1,184.00 crore (previous year ₹ 1,999.00 crore) are secured by first Pari-passu charge on all the immovable and movable assets of Multi-purpose Terminal, Terminal-II and Container Terminal –II project assets and specific charge over land (valued at market value)

2 Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 150.00 crore (previous year ₹ 645.00 crore) are secured by exclusive mortgage and charge on entire Single Point Mooring (SPM) facilities serving Indian Oil Corporation Limited - Mundra and the first charge over receivables from Indian Oil Corporation Limited.

3 a) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 400.00 crore (previous year ₹ 1,000.00 crore) 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 ₹ 500.00 crore (previous year ₹ 500.00 crore) 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 ₹ 1,400.00 crore (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 ₹ 233.37crore (previous year ₹ 255.84 crore) carries interest @ 6 months Euribor plus basis point in the range of 95 to 140. Further, out of the above loan ₹ 216.52 crore is repayable in 13 semi-annual instalments of approx. ₹ 16.66 crore, loan ₹ 13.30 crore is repayable in 2 semi-annual equal instalments of ₹ 6.65 crore and 1 semi-annual instalment of ₹ 3.55 crore 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 ₹ 16.40 crore (previous year ₹ 30.94 crore) carries interest @ 6 months Libor plus 225 basis point. The loan is repayable in 4 quarterly equal instalments of ₹ 4.10 crore 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 ₹ 98.14 crore (previous year ₹ 102.07 crore) carries interest @ 6 months Euribor plus 75 basis point. The loan is repayable in 11 semi annually equal instalments of approx. ₹ 8.19 crore and one semi-annual instalment of ₹ 7.96 crore 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 NIL (previous year ₹ 1,879.69 crore) was secured by the first pari passu charge on all the immovable and movable assets pertaining to Multi purpose terminal, Terminal II, Container Terminal II, project assets of the company and carry interest @ 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 ₹ 275.00 crore) 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 ₹ 1,875.00 crore) 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 ₹ 93.53 crore (previous year ₹ 97.64 crore) carries interest @ 4.6% p.a. Out of these loans, ₹ 34.23 crore are repayable in 24 semi-annual equal instalments of ₹ 1.43 crore, ₹ 17.89 crore are repayable in 12 semi-annual equal instalments of ₹ 1.49 crore, ₹ 12.08 crores are repayable in 10 semi-annual equal instalments of ₹ 1.20 crore, ₹ 29.39 crore are repayable in 20 semi-annual equal instalments of ₹ 1.47 crore 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 ₹ 210.94 crore) 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 ₹ 250 crore) 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 ₹ 131.94 Crore (previous year ₹ 134.38 crore) 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 instalments of approx. ₹ 9.42 crore each.

15 Foreign Currency Loan aggregating to NIL (previous year ₹ 312.50 crore) carries interest @ 3 months 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 ₹ 397.53 crore (previous year NIL) carries interest @ 3 months libor plus 228 basis point. ₹ 331.28 crore is repayable in 3 annual instalment of approx. ₹ 110.42 crore and ₹ 66.26 crore is repayable in 3 annual instalment of approx. ₹ 22.08 crore. 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 ₹ 1,007.08 crore (previous year NIL) carries interest at 6 months libor plus 180 basis point. ₹ 100.70 crores is repayable in one annual instalment of ₹ 100.70 crore, ₹ 402.83 crores is repayable in 2 annual instalment of approx. ₹ 201.42 crores and ₹ 503.54 cores is repayable in 2 annual instalment of approx. ₹ 251.77 crores. 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 ₹ 102.00 crore) was secured by first pari passu charge on all the movable and immovable assets pertaining to Agripark project assets and carries interest @ 10.25% p.a. The loan is repaid during the year.

19 Rupee term loan amounting to NIL (previous year ₹ 450.00 crore) carrying interest rate at 11.45% p.a were secured by exclusive charge on land parcel of 90 hectares situated at Mundra Taluka Kutch District, Gujarat. The loan is repaid during the year.

20 Rupee term loan amounting to NIL (previous year ₹ 200.00 crore) 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 ₹ 94.88 crore) 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.

Notes to the Financial Statements for the year ended March 31, 2016

22 Suppliers bills accepted under foreign currency letters of credit aggregating NIL (previous year ₹ 26.71 crore) 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 ₹ 82.65 crore (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 ₹ 4,306.58 crore (previous year NIL) carries interest @ 3.50 % p.a. is bullet repayment in the year 2020.

b) Foreign Currency loan ₹ 662.55 crore (previous year NIL) carries interest @ 2.30 % for six months is bullet payment in the year 2017.

c) Foreign Currency loan ₹ 331.28 crore (previous year NIL) carries interest @ 1.95 % p.a. is bullet payment in the year 2016.

d) Foreign Currency loan ₹ 231.89 crore (previous year NIL) carries basis overnight libor plus 120 basis point is bullet payment in the year 2017.

e) Foreign Currency Loan aggregating to ₹ 394.55 crore (previous year NIL) carries interest @ 2.85% fixed for 18 months and there after Libor plus 2.2%. The Loan is bullet repayment in the year 2021.

f) Foreign Currency Loan aggregating to ₹ 662.55 crore (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 ₹ 16.69 crore (previous year ₹ 18.44 crore) carries interest @ 2.12 % p.a. The outstanding loan amount is repayable in 8 semi- annual equal instalment of ₹ 2.09 crore from the balance sheet date.

h) Suppliers bills accepted under foreign currency letters of credit aggregating to ₹ 14.55 crore (previous year NIL) carries interest at 6 months Libor plus basis point of 30 and 12 months Euribor plus basis point of 38 which is repayable on maturity in the year 2016-17.

6 DEFERRED TAX LIABILITIES

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Deferred Tax Liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting post tax holiday period	782.13	716.50
	782.13	**716.50**

7 OTHER LONG-TERM LIABILITIES

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Advance from customers	13.93	17.32
Deposits from customers	3.34	38.67
Obligations under land Lease	7.00	7.01
Unearned Income under long term land lease/ Infrastructure usage agreements	717.66	768.57
	741.93	**831.57**

Notes to the Financial Statements for the year ended March 31, 2016

8 PROVISIONS

(₹ in Crores)

Particulars	Long Term		Short Term	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Provision for employee benefits				
Provision for gratuity (refer note 27)	–	–	7.46	3.75
Provision for compensated absences	–	–	11.84	9.64
	–	**–**	**19.30**	**13.39**
Other provisions				
Proposed preference dividend	–	–	*–	*–
Provision for tax on proposed preference dividend	–	–	*–	*–
Proposed equity dividend	–	–	–	227.71
Provision for tax on proposed equity dividend	–	–	–	46.36
Provision for Income Tax (Net of advance tax)	–	–	26.01	38.76
Provision for Mark to market losses on derivative contracts (net) (refer note 2(a)(ii))	63.72	210.70	5.29	106.27
Provision for Operational Claims (refer note below)	–	–	31.92	24.55
	63.72	**210.70**	**63.22**	**443.65**
	63.72	**210.70**	**82.52**	**457.04**

* Figures being nullified on conversion to ₹ in crore.

(₹ in Crores)

Description	Opening Balance	Additions during the year	Utilization/ (Settled) during the year	Closing Balance
Operational Claims	**24.55**	**13.29**	**5.92**	**31.92**
	(18.54)	(6.52)	(0.51)	(24.55)

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.

9 SHORT-TERM BORROWINGS

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Suppliers bills accepted under foreign currency letters of credit issued by Banks		
From Banks (secured)	15.91	154.88
From Banks (unsecured)	2.25	–
Commercial Paper (unsecured)	3,176.00	1,150.00
	3,194.16	**1,304.88**

1 Suppliers bills accepted under foreign currency letters of credit aggregating to NIL (previous year ₹ 119.85 crore) carries interest @ 6 months Libor plus basis point in range of 49 to 105 which was paid on maturity in 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 ₹ 35.03 crore) carries interest @ 6 Months Libor plus basis point in range of 65 to 170 and one year libor plus basis point in range of 100-225 which was paid on maturity in 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 ₹ 15.91 crore (previous year NIL) carries interest at 1 to 6 months Libor plus basis point in range of 25 to 40 and 6 to 12 Months Euribor plus basis point in range of 38 to 40.The loan is repayable on maturity in the year 2016-17. The loan is secured against material purchased under the facilities.

4 Suppliers bills accepted under foreign currency letters of credit aggregating to ₹ 2.25 crore (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 the year 2016-17. The loan is unsecured.

5 Commercial Paper (CP) aggregating ₹ 3,176 crore (previous year ₹ 1,150 crore) carries interest rate in range of 8.15% p.a. to 9.25% p.a. The CP are repayable on maturity in the year 2016-17.

Notes to the Financial Statements for the year ended March 31, 2016

10 TRADE PAYABLES

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
- Total Outstanding dues of Micro and Small Enterprises (refer note 31)	0.26	0.23
- Total Outstanding dues of creditors other than Micro and Small Enterprises (refer note 42)	185.02	187.58
	185.28	**187.81**
Dues to related parties included in above (refer note 29)		
Trade payables	40.86	12.91

11 OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
(a) Current maturities of long-term borrowings (refer note 5)	2,127.13	1,960.91
(b) Interest accrued but not due on borrowings	90.31	101.27
(c) Unclaimed dividend#		
- Equity Shares	1.50	1.04
- Preference Shares	*–	*–
(d) Unearned revenue	34.78	24.69
(e) Current maturities of Unearned Income under Long Term Land Lease/ Infrastructure Usage Agreements	50.91	50.91
(f) Obligation under land lease	0.01	0.01
(g) Advance from customers	101.23	144.50
(h) Deposits from customers	131.10	39.54
(i) Statutory dues, Service tax, Tax deducted at source etc.	13.74	5.55
(j) Forward Contracts payable	5.72	3.68
(k) Capital creditors, retention money and other payable (Includes outstanding due to Micro and Small Enterprises creditors ₹ 0.10 crore (previous year ₹ 0.07 crore)) (also refer note 31)	150.65	64.23
	2,707.08	**2,396.33**
# Not due for credit to "Investors Education & Protection Fund"		
* Figures being nullified on conversion to ₹ in crore.		
Dues to related parties included in above (refer note 29)		
Advances	7.40	34.63
Deposits	82.18	3.77

12 FIXED ASSETS

(₹ in Crores)

Particulars	GROSS BLOCK (AT COST)							DEPRECIATION/AMORTISATION				NET BLOCK	
	As at April 01, 2015	Additions due to Composite Scheme of Arrangement (refer note 42)	Additions (refer note 2.1 a (iii))	Deductions	Adj for foreign Exchange	Adj for Borrowing	As at March 31, 2016	As at April 01, 2015	During the year	Deductions	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets													
Freehold Land	390.34	–	7.55	3.54	–	–	394.35	–	–	–	–	394.35	390.34
Land Development cost on Leasehold Land	304.64	2.13	30.13	–	1.44	–	338.34	42.06	16.81	–	58.87	279.47	262.58
Rights of use in Leased Land	5.50	–	–	–	–	–	5.50	1.39	0.26	–	1.65	3.85	4.11
Buildings, Roads and Civil Infrastructure	1,680.86	1.50	52.87	1.27	33.04	0.13	1,767.13	264.07	123.59	0.21	387.45	1,379.68	1,416.79
Plant & Machinery	2,683.82	0.44	137.28	21.55	65.78	–	2,865.77	841.90	180.89	8.54	1,014.25	1,851.52	1,841.92
Furniture & Fixtures	25.02	0.03	1.57	–	–	–	26.62	13.20	2.50	–	15.70	10.92	11.82
Office Equipments	24.51	–	4.61	0.88	0.34	–	28.58	13.57	3.63	0.16	17.04	11.54	10.94
Computer Hardware	52.17	–	1.88	–	0.71	–	54.76	32.49	7.19	–	39.68	15.08	19.68
Vehicles	33.05	–	0.14	1.09	–	–	32.10	13.68	4.23	0.72	17.19	14.91	19.37
Tugs and Boats	601.61	22.43	3.92	–	23.80	–	651.76	199.15	31.61	–	230.76	421.00	402.46
Railway Tracks	399.20	–	2.75	–	7.61	–	409.56	130.75	33.63	–	164.38	245.18	268.45
Marine Structures	1,594.78	1.40	0.03	–	41.19	–	1,637.40	302.23	31.56	–	333.79	1,303.61	1,292.55
Dredged Channels	1,763.98	–	117.33	–	11.14	–	1,892.45	264.63	29.50	–	294.13	1,598.32	1,499.35
Project Assets	1,645.93	–	39.35	14.10	46.45	–	1,717.63	682.22	111.49	11.72	781.99	935.64	963.71
Sub Total	**11,205.41**	**27.93**	**399.41**	**42.43**	**231.50**	**0.13**	**11,821.95**	**2,801.34**	**576.89**	**21.35**	**3,356.88**	**8,465.07**	**8,404.07**
Intangible Assets													
Goodwill	78.59	–	–	–	–	–	78.59	33.72	2.82	–	36.54	42.05	44.87
Software	40.02	–	3.26	–	–	–	43.28	27.04	3.74	–	30.78	12.50	12.98
Sub Total	**118.61**	**–**	**3.26**	**–**	**–**	**–**	**121.87**	**60.76**	**6.56**	**–**	**67.32**	**54.55**	**57.85**
Total	**11,324.02**	**27.93**	**402.67**	**42.43**	**231.50**	**0.13**	**11,943.82**	**2,862.10**	**583.45**	**21.35**	**3,424.20**	**8,519.62**	**8,461.92**
Previous Year	10,810.66	–	513.42	17.04	16.98	–	11,324.02	2,273.42	596.51	7.83	2,862.10	8,461.92	8,537.24

i) Depreciation of ₹ 61.52 crore (previous year ₹ 76.06 crore) relating to the project assets has been allocated towards Capitalisation / Capital Work in progress.

ii) Freehold Land includes land development cost of ₹ 12.56 crore (previous year ₹ 12.56 crore).

iii) Plant and Machinery includes cost of Water Pipeline amounting to ₹ 6.65 crore (Gross) (previous year ₹ 6.65 crore), accumulated depreciation ₹ 3.67 crore (previous year ₹ 3.28 crore) which is constructed on land not owned by the Company.

iv) Buildings includes 588 residential flats (previous year 588 flats) and a hostel building (previous year a hostel building) valuing ₹ 131.04 crore (previous year ₹ 131.04 crore) at Samudra Township, Mundra, which are pending to be registered in Company's name. Further an advance of ₹ 22.00 crores (Previous year ₹ 22.00 crore) is also paid to purchase additional Flats / hostel building.

v) As a part of concession agreement for development of port and related infrastructure at Mundra the Company has been allotted land on lease basis by Gujarat Maritime Board (GMB). The Company has recorded the Rights of use in the GMB 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 ₹ 202.21 crore (previous year ₹ 202.21 crore). 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 1,271.58 hectare are pending to be registered in the name of the Company.

viii) Project Assets includes dredgers and earth moving equipments.

Notes to the Financial Statements for the year ended March 31, 2016

13 NON CURRENT INVESTMENTS

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Trade investments (valued at cost unless stated otherwise)		
Unquoted		
In Equity Shares of Company		
5,00,00,000 (previous year - 5,00,00,000) fully paid Equity Shares of ₹ 10 each of Kutch Railway Company Limited.	40.00	40.00
5,50,000 (previous year NIL) fully paid Equity Share of ₹ 10 each of Mundra Solar Technopark Private Limited (refer note 29)	0.55	–
1,000 (previous year - 1,000) fully paid Equity Shares of AUD 1 each of Mundra Port Pty Ltd.	*–	*–
	40.55	**40.00**
In Equity Shares of subsidiaries		
32,50,00,000 (previous year -32,50,00,000) fully paid Equity Shares of ₹ 10 each of Adani Logistics Limited	325.07	325.07
25,61,53,846 (previous year - 25,61,53,846) fully paid Equity Shares of ₹10 each of Adani Petronet (Dahej) Port Private Limited	256.15	256.15
24,50,000 (previous year - 24,50,000) fully paid Equity Shares of ₹ 10 each of Mundra SEZ Textile and Apparel Park Private Limited	2.45	2.45
4,50,00,000 (previous year - 4,50,00,000) fully paid Equity Shares of ₹ 10 each of Karnavati Aviation Private Limited	45.00	45.00
1,31,35,000 (previous Year - 1,31,35,000) fully paid Equity Shares of ₹ 10 each of MPSEZ Utilities Private Limited	52.51	52.51
8,57,57,500 (previous year - 8,57,57,500) fully paid Equity Shares of ₹ 10 each of Adani Murmugao Port Terminal Private Limited	85.76	85.76
35,00,000 (previous year - 15,00,000) fully paid Equity Shares of ₹ 10 each of Mundra International Airport Private Limited	3.50	1.50
71,54,70,000 (previous year - 71,54,70,000) fully paid Equity Shares of ₹ 10 each of Adani Hazira Port Private Limited	715.47	715.47
10,12,80,000 (previous year - 10,12,80,000) fully paid Equity Shares of ₹ 10 each of Adani Vizag Coal Terminal Private Limited	101.28	101.28
8,88,37,000 (previous year - 1,48,37,000) fully paid Equity Shares of ₹ 10 each of Adani Kandla Bulk Terminal Private Limited	88.84	14.84
50,000 (previous year - 50,000) fully paid Equity Shares of ₹ 10 each of Adani Warehousing Service Pvt Ltd.	0.05	0.05
3,00,000 (previous year - 3,00,000) fully paid Equity Shares of ₹ 10 each of Adani Hospitals Mundra Private Limited	0.30	0.30
NIL (previous year 50,000) fully paid Equity Share of ₹ 10 each of Mundra Solar Technopark Private Limited (refer note 29)	–	0.05
50,000 (previous year - 50,000) fully paid Equity Shares of ₹ 10 each of Adani Ennore Container Terminal Private Limited	0.05	0.05
50,000 (previous year NIL) fully paid Equity Share of ₹ 10 each of Adani Kattupalli Port Private Limited	0.05	–
50,000 (previous year NIL) fully paid Equity Share of ₹ 10 each of Adani Vizhinjam Port Private Ltd	0.05	–
50,000 (previous year NIL) fully paid Equity Share of ₹ 10 each of Adani LPG Terminal Private Ltd	0.05	–
50,000 (previous year NIL) fully paid Equity Share of ₹ 10 each of Adani Food and Agro Processing Park Private Limited	0.05	–
1,14,80,00,000 (previous year - 1,14,80,00,000) fully paid Equity Shares of ₹ 10 each of The Dhamra Port Company Limited	2,742.69	2,742.69
1,000 (previous year NIL) fully paid Equity Shares of AUD 1 each of Abbot Point Operations Pty Ltd	*–	–
	4,419.32	**4,343.17**

Notes to the Financial Statements for the year ended March 31, 2016

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
In Equity Shares of joint ventures		
31,02,01,040 (previous year - 31,02,01,040) fully paid Equity Shares of ₹ 10 each of Adani International Container Terminal Private Limited	310.20	310.20
3,03,95,000 (previous year - 3,03,95,000) fully paid Equity Shares of ₹ 10 each of Adani CMA Mundra Terminal Private Limited	30.40	30.40
	340.60	**340.60**
Acquisition of Controlling Interest in Equity Shares of Company		
11,850 (previous year - 11,850) fully paid Equity Shares of ₹ 100 each of Adinath Polyfills Private Limited	38.51	38.51
Non trade investments (valued at cost unless stated otherwise)		
In Equity Shares of an Associate Company		
Unquoted		
4,900 (previous year - 4,900) fully paid Equity Shares of ₹ 10 each of Dholera Infrastructure Private Limited	*–	*–
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	150.00	–
	4,988.98	**4,762.28**

* Figures being nullified on conversion to ₹ in crore.

Note:

1) Aggregate cost of unquoted investments as at March 31, 2016 ₹ 4988.98 crore (previous year - ₹ 4,762.28 crore).

2) No of Share pledged with banks against borrowings by the respective companies as per below.

	No of Share Pledged	
	March 31, 2016	March 31, 2015
Subsidiary Companies		
i) Adani Petronet (Dahej) Port Private Limited	103,845,494	103,845,494
ii) Adani Murmugao Port Terminal Private Limited	–	13,305,000
iii) Adani Hazira Port Private Limited	195,000,000	195,000,000
iv) Adani Vizag Coal Terminal Private Limited	26,332,800	26,232,800
v) The Dhamra Port Company Limited	194,400,000	194,400,000
Joint Venture Companies		
i) Adani International Container Terminal Private Limited	80,802,270	80,802,270
Trade Investment		
i) Mundra Port Pty Limited (refer note 36 (n))	1,000	1,000
	600,381,564	**613,586,564**

Notes to the Financial Statements for the year ended March 31, 2016

14 LOANS AND ADVANCES

(₹ in Crores)

Particulars	Non-Current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Capital advances (refer note 29)				
Secured, considered good	119.86	42.64	–	–
Unsecured, considered good	123.03	98.43	–	–
Unsecured, Doubtful	5.24	–	–	–
	248.13	141.07	–	–
Less : Provision for Doubtful Advances	(5.24)	–	–	–
(A)	**242.89**	**141.07**	**–**	**–**
Capital advance includes ₹ 72.85 crore (previous year ₹ 64.87 crore) paid to various private parties and government authorities towards purchase of land.				
The Company has bank guarantees of ₹ 119.86 crore (previous year ₹ 42.64 crore) against capital advances.				
Loan and advances to related parties				
Unsecured considered good (also refer note 29) (refer note below)	5,125.66	2,994.09	1,701.09	2,277.17
(B)	**5,125.66**	**2,994.09**	**1,701.09**	**2,277.17**
Advances recoverable in cash or kind				
Unsecured, considered good (refer note 42)	–	–	331.09	77.81
(C)	**–**	**–**	**331.09**	**77.81**
Other loans and advances (Unsecured Considered Good)				
MAT Credit Entitlement (refer note 32 and 36 (m))	2,113.74	1,505.92	–	–
Income Taxes (net) - Recoverable	8.16	29.58	–	–
Prepaid expenses	–	0.97	62.28	19.84
Loans and Advances to employees	2.06	1.80	1.49	1.59
Balances with statutory/ Government authorities	4.50	4.50	30.86	17.80
Advance against Equity Investment (refer note 34 (b) and 29)	302.00	–	–	–
Inter Corporate Deposit (net of provision ₹ 0.75 crore (previous year NIL)) (refer note below)	1,502.37	3.06	397.50	1,273.15
(D)	**3,932.83**	**1,545.83**	**492.13**	**1,312.38**
Deposit-Others (refer note 29 and 34 (b))				
- Considered Good	979.38	353.00	48.37	23.29
- Considered Doubtful	–	–	7.27	–
	979.38	**353.00**	**55.64**	**23.29**
- Provision for Doubtful Deposit	–	–	(7.27)	–
(E)	**979.38**	**353.00**	**48.37**	**23.29**
Total (A + B + C + D + E)	**10,280.76**	**5,033.99**	**2,572.68**	**3,690.65**

Note :

The Company has granted interest bearing inter-corporate loans and deposits aggregating ₹ 2,325.84 crore (previous year ₹ 2,137.87 crore)(including renewals on due dates) as at March 31, 2016 to its subsidiaries and other related parties, excluding loans granted to subsidiaries towards funding of development of specific ports and related infrastructure. The funds are advanced based on the business needs and exigencies and other cases to invest surplus fund or gave deposits to avail future commercial benefits with an option to purchase underlying assets.

Further, the Company has also extended inter-corporate deposits aggregating ₹ 1,217.37 crore (previous year ₹ 1,261.35 crore) (Including renewals on due dates) to third parties. The deposits are given at prevailing market interest rates. The inter-corporate deposits have been approved by the Finance committee of the Board of Directors.

The Company has received adequate undertaking on record by its promoters' Company to safeguard the full recovery of this amount together with the interest. In the opinion of the Company, all these loans /deposits are considered good and realisable as at the year end.

Notes to the Financial Statements for the year ended March 31, 2016

15 CURRENT INVESTMENTS (valued at lower of cost and fair value, unless stated otherwise)

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
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	10.00	–
2,36,75,214.708 units (previous year NIL) of ₹ 10 each in JM High Liquidity Fund (Direct) -growth option Direct Plan Growth	98.00	–
77,08,317.274 (previous year NIL) of ₹ 10 each in LIC NOMURA MF Income Plus Fund - Direct - Growth Plan	15.00	–
23,812.968 (previous year NIL) of ₹ 10 each in Reliance Liquid Fund Treasury Plan- Direct growth Plan	5.00	–
NIL (previous year 2,00,005.939 units) of ₹ 10 each in DSP Black Rock Liquidity Fund - Direct Plan - Daily Dividend	–	20.02
NIL (previous year 9,98,496.517 units) of Rs. 10 each in Birla Sun Life Cash Plus Daily Div - Direct Plan - Reinvest	–	10.00
NIL (previous year 12,79,728.144 units) of Rs. 10 each in ICICI Prudential Liquid Direct Plan-Daily Dividend	–	12.80
NIL (previous year 49,998.666 units) of Rs. 10 each in Pramerica Liquid Fund Direct Plan - Daily Dividend – Reinvest	–	5.00
NIL (previous year 14,95,641.577 units) of Rs. 10 each in SBI Premier Liquid Fund Direct Plan - Daily Dividend	–	150.05
NIL (previous year 16,94,771.63 units) of Rs. 10 each in Sundaram Money Fund Direct Plan-Growth	–	5.00
	128.00	202.87
Aggregate amount of unquoted investments	128.00	202.87
Net Assets value	128.10	202.87

16 INVENTORIES (Valued at lower of cost and net realizable value)

(₹ in Crores)

Particulars	Non-Current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Stores, spares and consumables (Includes Goods in Transit of ₹ 0.99 crore (previous year ₹ 1.86 crore)) (refer note 2.1 (a) (iii))	–	–	124.82	179.46
Project work in progress	682.75	123.06	–	–
	682.75	**123.06**	**124.82**	**179.46**
Amount disclosed under non-current assets (refer note 18)	(682.75)	(123.06)	–	–
	–	**–**	**124.82**	**179.46**

17 TRADE RECEIVABLES (Unsecured considered good except to the extent stated below)

(₹ in Crores)

Particulars	Non-Current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good (refer note 42)	–	–	598.48	234.32
Considered doubtful	–	–	1.60	1.45
Sub Total	**–**	**–**	**600.08**	**235.77**
Provision for doubtful receivables	–	–	(1.60)	(1.45)
Sub Total	**–**	**–**	**598.48**	**234.32**
Other receivables (refer note below)	5.36	424.42	582.78	514.66
Total	**5.36**	**424.42**	**1,181.26**	**748.98**
Includes due from related parties (refer note 29)				
Considered good	–	341.70	898.97	408.33

Note -Includes ₹ 16.09 crore (previous year ₹ 643.65 crore) contractually collectable on deferred basis.

Notes to the Financial Statements for the year ended March 31, 2016

18 OTHER ASSETS

(₹ in Crores)

Particulars	Non-Current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Unsecured, considered good unless stated otherwise				
Non-current bank balances (refer note 19)	128.74	22.40	–	–
(A)	**128.74**	**22.40**	**–**	**–**
Interest accrued on deposits, loans and advance and receivables (refer note 29)	–	68.14	327.86	292.88
Accrued revenue	–	–	225.68	260.43
Unamortised ancillary cost of borrowings	13.93	44.51	3.59	18.90
Other Non Current Assets (Project work in progress) (refer note 16, 39 and 34(e))	682.75	123.06	–	–
Land lease receivables (refer note 29)	491.89	217.34	2.59	1.57
Receivable for sale of Investments (refer note 36 (n))	–	–	87.54	81.62
Non trade receivable	–	2.76	13.07	9.90
(B)	**1,188.57**	**455.81**	**660.33**	**665.30**
Total (A + B)	**1,317.31**	**478.21**	**660.33**	**665.30**

19 CASH AND BANK BALANCES

(₹ in Crores)

Particulars	Non-Current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Cash and cash equivalents				
Balances with banks:				
On current accounts	–	–	448.35	31.72
Deposits with original maturity of less than three months	–	–	100.00	310.24
Earmarked balances with banks				
In Current Account (Earmarked for Unpaid Dividend)	–	–	1.50	1.04
Cheque on hand	–	–	150.00	100.00
Cash on hand	–	–	0.02	0.01
	–	**–**	**699.87**	**443.01**
Other bank balances				
Deposits with original maturity for more than 3 months but less than 12 months	–	–	213.58	0.01
Deposits with original maturity for more than 12 months	106.94	22.40	–	–
Margin money deposit	21.80	*–	24.17	52.81
	128.74	**22.40**	**237.75**	**52.82**
Amount disclosed under non-current assets (refer note 18)	(128.74)	(22.40)	–	–
	–	**–**	**937.62**	**495.83**

*- Figure being nullified on conversion of ₹ in crores

Note: Margin Money and Fixed Deposit includes ₹ 45.97 crore (previous year ₹ 52.81 crore) pledged / lien against bank guarantees, letter of credit and other credit facilities.

Notes to the Financial Statements for the year ended March 31, 2016

20 REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
a) Income from Port Operations (including related infrastructure)	3,493.67	3,459.20
b) Land Lease, Upfront Premium and Deferred Infrastructure Income (refer note below)	828.05	102.06
c) Other operating income including construction, Infrastructure development support services and related income	309.03	348.10
	4,630.75	**3,909.36**

Note -Includes annual discounting income of ₹ 17.36 crore (previous Year ₹ 17.79 crore) in respect of land lease.

21 OTHER INCOME

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Interest income on		
Bank Deposits, Inter Corporate Deposits etc.	866.38	613.56
Customers	52.89	91.97
Dividend income on		
Current investments	0.76	8.52
Long-term investments	1.00	2.00
Profit on sale of Mutual fund	25.94	–
Scrap sales	5.81	6.71
Unclaimed liabilities / excess provision written back	5.19	2.02
Miscellaneous Income	15.06	13.38
	973.03	**738.16**

22 OPERATING EXPENSES

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Cargo handling /Other charges to contractors (net of reimbursement)	197.36	189.59
Customer Claims	12.35	6.27
Railway's Service charges (net)	63.35	134.68
Tug and Pilotage Charges	10.86	10.96
Maintenance Dredging	11.53	10.05
Other expenses including customs establishment charges	17.17	2.01
Repairs to Plant & Machinery	61.29	50.86
Store,Spares and consumables (net of reimbursement)	95.63	77.85
Repairs to Buildings	10.85	8.97
Power & Fuel (net of reimbursement)	120.38	135.98
Waterfront Charges	168.09	177.51
Construction Contract Expenses*	41.38	80.79
Cost of Land Leased / Sub-Leased	6.09	0.02
	816.33	**885.54**

*Includes material of ₹ 32.10 crore (previous year ₹ 30.62 crore) and services ₹ 9.28 crore (previous year ₹ 49.14 crore)

23 EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Salaries, Wages and Bonus (net of reimbursement)	161.17	137.35
Contribution to Provident & Other Funds	6.63	6.00
Gratuity Expenses (refer note 27)	4.26	4.57
Workmen and Staff Welfare Expenses	8.33	9.64
	180.39	**157.56**

Notes to the Financial Statements for the year ended March 31, 2016

24 OTHER EXPENSES

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Rent	6.65	8.06
Rates and Taxes	4.51	4.17
Insurance (net of reimbursement)	5.02	11.31
Advertisement and Publicity	5.10	7.13
Other Repairs and Maintenance (net of reimbursement)	11.44	10.08
Legal and Professional Expenses	54.59	41.64
IT support Service	9.15	8.19
Payment to Auditors (refer note (c) below)	1.13	1.23
Security Services Charges	16.51	13.50
Communication Expenses	4.42	1.71
Electric Power Expenses	5.95	4.72
Travelling and Conveyance (including aircraft service expenses of ₹ 16.15 crore (previous year ₹ 11.35 crore)	28.59	19.84
Directors Sitting Fee	0.19	0.17
Commission to Non-executive Directors	0.62	0.60
Charity & Donations (refer note (d) below)	50.63	37.39
Loss on Foreign Exchange Variation (net)	100.05	73.42
Loss on sale of fixed assets (net)	2.88	1.62
Provision for Doubtful Advance and Deposits	13.26	–
Miscellaneous Expenses	18.61	14.06
	339.30	**258.84**

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 ₹ 4.09 crore (previous year ₹ 3.33 crore) incurred under such leases have been expensed in the statement of profit and loss.

b) Assets taken under Operating Leases – an office premises have been taken on operating leases. The lease rent terms are for the period of 15 years and are renewable by mutual consent. The Company has given deposit of ₹ 100 crore as per the terms of the lease. 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 ₹ 0.10 crore (previous year ₹ 0.10 crore) 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 Crores)

Particulars	March 31, 2016	March 31, 2015
i) Not later than one year	0.10	0.10
ii) Later than one year and not later than five years	0.43	0.42
iii) Later than five years	0.88	0.99

c) Payment to Auditors

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
As auditor:		
Audit fee	0.50	0.43
Limited review	0.23	0.23
In other capacity:		
Certification fees	0.05	0.03
Other services*	0.32	0.50
Reimbursement of expenses	0.03	0.04
	1.13	**1.23**

*Note- Professional fees of ₹ 0.26 crore paid for services rendered in respect of Bond issued by the Company during the year, is adjusted against Securities Premium in accordance with Section 52 of the Companies Act, 2013.

Notes to the Financial Statements for the year ended March 31, 2016

d) Details Corporate Social Responsibilities

(₹ in Crores)

	March 31, 2016	March 31, 2015
1. Gross Amount required to Spent during the year	40.40	35.79

2 Amount spent during the year ended

(₹ in Crores)

	In cash	Yet to be	Total
March 31, 2016			
i) Construction/acquisition of any asset	10.15	–	10.15
ii) On purposes other than (i) above	30.66	–	30.66
Total	40.81	–	40.81
March 31, 2015			
i) Construction/acquisition of any asset	2.41	–	2.41
ii) On purposes other than (i) above	33.49	–	33.49
Total	35.90	–	35.90

25 FINANCE COSTS

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Interest		
Debentures /Bonds	418.28	372.24
Fixed Loans, Buyer's Credit, Short Term etc.	434.29	371.71
Interest on income tax	3.57	–
Interest others	–	1.41
Bank Charges and Amortisation of Ancillary borrowing cost	70.66	24.77
	926.80	770.13
(Gain) /Loss on Derivatives / Swap Contracts (net) (refer note 2.1 (a) (ii))	(104.70)	(61.34)
	822.10	708.79

26 EARNINGS PER SHARE (EPS)

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Profit after tax	2,841.58	2,183.14
Less: Dividends on Non-Cumulative Redeemable Preference Shares & tax thereon	*–	*–
Net profit for calculation of basic and diluted EPS	2,841.58	2,183.14
* Figures being nullified on conversion to ₹ in crore.		
	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	13.72	10.55

27 DETAILS OF EMPLOYEE BENEFITS

1. The company has recognised, in the Statement of Profit and Loss for the current year, an amount of ₹ 6.41 crore (previous year ₹ 5.54 crore) as expenses under the following defined contribution plan.

(₹ in Crores)

Contribution to	2015-16	2014-15
Provident Fund	6.19	5.28
Superannuation Fund	0.22	0.26
Total	6.41	5.54

2. The Company 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 Corporation of India (LIC) in the form of a qualifying insurance policy.

Notes to the Financial Statements for the year ended March 31, 2016

The following tables summaries the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Statement of Profit and Loss

a) Net Employee benefit expense (recognised in Employee Cost)

(₹ in Crores)

Particulars	Gratuity (Funded) March 31, 2016	Gratuity (Funded) March 31, 2015
Current Service cost	2.49	1.21
Interest Cost on benefit obligation	0.99	0.72
Expected return on plan assets	(0.70)	(0.60)
Actuarial loss / (gain) recognised in the year	1.47	3.24
Net benefit expense	**4.25**	**4.57**

Note: Actual return on plan assets ₹ 0.67 crore (previous year ₹ 0.62 crore)

Balance Sheet

b) Details of Provision for gratuity

(₹ in Crores)

Particulars	Gratuity (Funded) March 31, 2016	Gratuity (Funded) March 31, 2015
Present value of defined benefit obligation	16.83	12.47
Fair value of plan assets	9.37	8.72
Net (liability)	**(7.46)**	**(3.75)**

c) Changes in Present Value of the defined benefit obligation are as follows:

(₹ in Crores)

Particulars	Gratuity (Funded) March 31, 2016	Gratuity (Funded) March 31, 2015
Balance at the beginning of the period	12.47	7.74
Current Service cost	2.49	1.21
Interest Cost	0.99	0.72
Actuarial loss on obligations	1.45	3.26
Benefits paid	(0.57)	(0.46)
Balance at the end of the period	**16.83**	**12.47**

d) Changes in Fair Value of Plan Assets are as follows:

(₹ in Crores)

Particulars	Gratuity (Funded) March 31, 2016	Gratuity (Funded) March 31, 2015
Opening fair value of plan assets	8.72	6.86
Expected return	0.70	0.60
Contributions by employer	–	1.24
Benefits Paid	(0.02)	–
Actuarial (losses) /gains	(0.03)	0.02
Closing fair value of plan assets	**9.37**	**8.72**

Note:

1) The present value of the plan assets represents the balance available with the LIC as at the end of the period. The total value of plan assets amounting to ₹ 9.37 crore (previous year ₹ 8.72 crore) is as certified by the LIC.

2) The Company's expected contribution to the fund in the next financial year is ₹ 10.37 crore (previous year ₹ 4.08 crore).

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

Particulars	2015-16 %	2014-15 %
Benefit Contribution to		
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) March 31, 2016	Gratuity (Funded) March 31, 2015
Discount rate	7.90%	7.96%
Expected rate of return on plan assets	8.00%	7.96%
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 is to be settled. There has been change in expected rate of return on assets due to change in market scenario.

g) Amount for the current and previous four period are as follows:

(₹ in Crores)

Gratuity	March 2016	March 2015	March 2014	March 2013	March 2012
Defined benefit obligation	(16.83)	(12.47)	(7.74)	(6.99)	(5.39)
Plan Assets	9.37	8.72	6.86	5.66	4.49
(deficit)/ Surplus	(7.46)	(3.75)	(0.88)	(1.33)	(0.90)
Experience adjustments on plan liabilities -Loss /(Gain)	0.34	1.44	(0.31)	0.72	0.16
Experience adjustments on plan assets Loss /(Gain)	0.03	(0.02)	(0.11)	(0.04)	(0.07)

28. SEGMENT INFORMATION

The Company is primarily engaged in the business of developing, operating and maintaining the Port and Port based related infrastructure facilities including Multi product Special Economic Zone. The entire business has been considered as a single segment in terms of Accounting Standard-17 on Segment Reporting notified under section 133 of the Companies Act 2013 read with paragraph 7 of the Companies (Accounts) Rule 2014. There being no business outside India, the entire business has been considered as single geographic segment.

Notes to the Financial Statements for the year ended March 31, 2016

29. RELATED PARTY DISCLOSURES

The Management has identified the following entities and individuals as related parties of the Company for the purposes of reporting as per AS 18 – Related Party Transactions, which are as under:

A. Related parties where control exists.

Wholly owned Subsidiary Companies	Adani Ennore Container Terminal Pvt Ltd
	Adani Hazira Port Pvt Ltd
	Adani Hospitals Mundra Pvt Ltd
	Adani Logistics Ltd
	Adani Vizag Coal Terminal Pvt Ltd
	Adani Warehousing Services Pvt Ltd
	Karnavati Aviation Pvt Ltd
	MPSEZ Utilities Pvt Ltd
	Mundra International Airport Pvt Ltd
	Mundra Solar Technopark Pvt Ltd [March 09, 2015 to September 03,2015]
	The Dhamra Port Company Ltd [w.e.f July 23, 2014]
	Adani Vizhinjam Port Pvt Ltd * [w.e.f. July 27, 2015]
	Adani LPG Terminal Pvt Ltd * [w.e.f. September 04, 2015]
	Adani Kattupalli Port Pvt Ltd * [w.e.f. August 14, 2015]
	Adani Food And Agro Processing Park Pvt Ltd * [w.e.f. May 05,2015]
	Abbot Point Operations Pty Ltd * [w.e.f. May 15,2015]
Other Subsidiary Companies	Adani Kandla Bulk Terminal Pvt Ltd
	Adani Murmugao Port Terminal Pvt Ltd
	Adani Petronet (Dahej) Port Pvt Ltd
	Mundra SEZ Textile And Apparel Park Pvt Ltd
Entity held through Controlling Interest	Adinath Polyfills Private Limited
Step down Subsidiary	Hazira Infrastructure Private Limited
	Hazira Road Infrastructure Private Limited
	Dhamra LNG Pvt Limited * [w.e.f. August 24, 2015]
	Dhamra LPG Pvt Limited * [w.e.f. August 25, 2015]

B. Related parties with whom transaction have been taken place during the year.

Joint Venture	Adani CMA Mundra Terminal Pvt Ltd [w.e.f July 30, 2014]
	Adani International Container Terminal Pvt Ltd
Associate	Dholera Infrastructure Pvt.Ltd.
	Mundra Solar Technopark Pvt Ltd [September 03,2015 to March 05,2016]
Key Management Personnel and their relatives	Mr. Gautam S. Adani, Chairman and Managing Director
	Mr. Rajesh S. Adani, Director and brother of Mr. Gautam S. Adani
	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)
Entities over which Key Management Personnel and their relatives are able to exercise Significant Influence	Abbot Point Port Holdings Pte Ltd- Singapore
	S.B.Adani Family Trust (SBAFT)
	Adani Foundation
	Adani Institute of Infrastructure Management
	Adani Properties Pvt Ltd
	Delhi Golf Link Properties Pvt Ltd
	Adani Infrastructure and Developers Pvt Ltd
	Adani Mundra SEZ Infrastructure Pvt Ltd
	Adani Townships And Real Estate Company Private Limited
	Mundra Port Pty Ltd, Australia
	Shanti Builder

Notes to the Financial Statements for the year ended March 31, 2016

Entities over which major shareholders of the Company are able to exercise significant influence through voting powers.	Adani Agri Fresh Ltd
	Adani Bunkering Pvt Ltd
	Adani Enterprises Ltd
	Mundra Solar PV Limited
	Adani Green Energy Limited
	Adani Gas Ltd
	Adani Global F.Z.E.
	Adani Infra (India) Ltd
	Adani Power Dahej Ltd
	Adani Power Ltd
	Adani Power Maharashtra Ltd
	Adani Power Rajasthan Ltd
	Adani Wilmar Ltd
	Kutch Power Generation Ltd
	Maharashtra Eastern Grid Power Transmission Company Ltd
	Sarguja Rail Corridor Pvt Ltd
	Mundra Solar Technopark Pvt Ltd [w.e.f. March 05, 2016]

*These entities have been incorporated / formed during the year

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

Detail of Related Party Transactions for the year ended March 31, 2016

(₹ in Crores)

Category	Name of Related Party	March 31, 2016	March 31, 2015
Income from Port Services / Other Operating Income	Adani Enterprises Ltd	56.03	117.06
	Adani Hazira Port Pvt Ltd	17.32	16.30
	Adani International Container Terminal Pvt Ltd	145.32	138.18
	Adani Kandla Bulk Terminal Pvt Ltd	4.00	2.45
	Adani Logistics Ltd	19.37	57.11
	Adani Petronet Dahej Port Pvt Ltd	1.30	2.40
	Adani Power Ltd	509.38	511.70
	Adani Power Maharashtra Ltd	0.03	0.05
	Adani Power Rajasthan Ltd	17.48	40.53
	Adani Vizag Coal Terminal Pvt Ltd	–	0.75
	Adani Warehousing Services Pvt Ltd	0.01	0.01
	Adani Wilmar Ltd	39.25	26.83
	Adani Bunkering Pvt Ltd	25.54	32.68
	MPSEZ Utilities Pvt Ltd	0.27	0.34
	Mundra Sez Textile And Apparel Park Pvt Ltd	0.12	0.11

Notes to the Financial Statements for the year ended March 31, 2016

(₹ in Crores)

Category	Name of Related Party	March 31, 2016	March 31, 2015
Income from Port Services / Other Operating Income	Sarguja Rail Corridor Pvt Ltd	0.10	–
	Adani Mundra SEZ Infrastructure Pvt Ltd	0.84	–
	Mundra Solar Technopark Pvt Ltd	0.08	–
	Mundra Solar PV Ltd	0.80	–
	Adinath Polyfills Pvt Ltd	0.22	–
	Adani Foundation	–*	–
	The Dhamra Port Company Ltd	71.00	73.00
Recovery of expenses (Reimbursement)	Adani Ennore Container Terminal Pvt Ltd	–	0.13
	Adani Murmugao Port Terminal Pvt Ltd	–*	0.31
	Adani Vizag Coal Terminal Pvt Ltd	0.01	0.26
	Adani Foundation	–	0.02
	Adani International Container Terminal Pvt Ltd	7.72	–
	The Dhamra Port Company Ltd	3.35	–
	Adani Hazira Port Pvt Ltd	0.04	–
	Adani Petronet Dahej Port Pvt Ltd	0.09	–
	Adani Logistics Ltd	0.02	–
	Adani CMA Mundra Terminal Pvt Ltd	–	0.55
Lease & Infrastructure Usage Income/ Upfront Premium (Includes Reversal)	Adani International Container Terminal Pvt Ltd	4.19	4.19
	Adani Power Ltd	2.16	2.16
	Adani Wilmar Ltd (Transaction reversal)	(3.05)	0.56
	MPSEZ Utilities Pvt Ltd	2.44	2.23
	Adani Mundra SEZ Infrastructure Pvt Ltd (Adjustment)	(0.14)	–
	Mundra Solar Technopark Pvt Ltd	423.15	–
	Mundra SEZ Textile And Apparel Park Pvt Ltd	2.59	2.59
Purchase of Spares and consumables, Power & Fuel	Adani Kandla Bulk Terminal Pvt Ltd	2.04	0.98
	Adani CMA Mundra Terminal Pvt Ltd	6.98	–
	Adani Power Ltd	0.21	0.10
	Adani Bunkering Pvt Ltd	–	111.99
	Adani Hazira Port Pvt Ltd	0.09	–
	Adani Petronet (Dahej) Port Pvt Ltd	0.24	–
	MPSEZ Utilities Pvt Ltd	75.07	74.69
Services Availed (including reimbursement of expenses)	Adani Enterprises Ltd	14.40	9.30
	Adani Gas Ltd	0.01	–*
	Adani Global F.Z.E.	–	0.09
	Adani Hospitals Mundra Pvt Ltd	0.41	0.47
	Adani Institute Of Infrastructure Managament	–	0.06
	Adani International Container Terminal Pvt Ltd	0.03	0.24
	Adani Logistics Ltd	6.19	5.91
	Adani Power Ltd	16.51	10.87
	Karnavati Aviation Pvt Ltd	16.15	11.35
	Adani Mundra SEZ Infrastructure Pvt Ltd	2.34	–
	Delhi Golf Link Properties Pvt Ltd	0.06	–
	Shanti Builder	–	0.58
Rent/Hire charges paid	Adani International Container Terminal Pvt Ltd	1.61	2.88
	Adani Infrastructure & Development Pvt Ltd	0.83	–
	Delhi Golf Link Properties Pvt Ltd	0.10	–
	Adani Properties Pvt Ltd	0.07	0.07

Notes to the Financial Statements for the year ended March 31, 2016

(₹ in Crores)

Category	Name of Related Party	March 31, 2016	March 31, 2015
Interest Income on loans/ deposits/deferred accounts receivable	Adani Agri Fresh Ltd	125.46	119.25
	Adani Ennore Container Terminal Pvt Ltd	19.64	–
	Adani Hazira Port Pvt Ltd	35.95	–
	Adani Enterprises Ltd	5.97	36.36
	Adani International Container Terminal Pvt Ltd	7.76	7.27
	Adani Kandla Bulk Terminal Pvt Ltd	90.50	96.84
	Adani Logistics Ltd	146.30	121.58
	Adani Murmugao Port Terminal Pvt Ltd	34.57	–
	Adani Petronet (Dahej) Port Pvt Ltd	46.19	2.15
	Adani Power Ltd	47.00	91.72
	Adani Power Rajasthan Ltd	3.03	–
	Adani Vizag Coal Terminal Pvt Ltd	21.10	–
	MPSEZ Utilities Pvt Ltd	0.04	–
	Mundra Solar Technopark Pvt Ltd	5.89	–
	Adani Vizhinjam Port Pvt Ltd	0.44	–
	Adani Kattupalli Port Pvt Ltd	3.39	–
	Adani Bunkering Pvt Ltd	12.08	14.71
	Mundra SEZ Textile And Apparel Park Pvt Ltd	2.46	2.45
	The Dhamra Port Company Ltd	63.20	15.73
	Maharashtra Eastern Grid Power Transmission Company Ltd	7.03	–
	Adani Food And Agro Processing Park Pvt Ltd	0.21	–
Sales of Scrap and other Miscellaneous Income	Adani Enterprises Ltd	–*	–*
	Adani Hazira Port Pvt Ltd	–	0.02
	Adani International Container Terminal Pvt Ltd	5.44	0.04
	Adani Kandla Bulk Terminal Pvt Ltd	1.09	0.87
	Adani Logistics Ltd	–*	–*
	Adani Power Ltd	0.14	0.28
	Mundra Solar Technopark Pvt Ltd	0.57	–
	Adani Power Rajasthan Ltd	–	0.02
	Adani Petronet (Dahej) Port Pvt Ltd	0.13	–
	Adani Wilmar Ltd	0.15	0.06
	Adani Bunkering Pvt Ltd	0.02	0.02
	MPSEZ Utilities Pvt Ltd	0.07	0.06
	Adani Ennore Container Terminal Pvt Ltd	1.36	–
	Adani Foundation	0.01	–
	Adani Hospitals Mundra Pvt Ltd	0.02	–
	Mundra Solar Ltd	0.08	–
	Mundra Solar PV Ltd	0.07	–
	Hazira Infrastructure Pvt Ltd	0.25	–
	Mundra SEZ Textile And Apparel Park Pvt Ltd	0.02	0.02

Notes to the Financial Statements for the year ended March 31, 2016

(₹ in Crores)

Category	Name of Related Party	March 31, 2016	March 31, 2015
Loans Given	Adani Agri Fresh Ltd	–	309.81
	Adani Ennore Container Terminal Pvt Ltd	342.35	64.67
	Adani Enterprises Ltd	175.00	1,253.00
	Adani Hazira Port Pvt Ltd	447.21	252.76
	Adani Hospitals Mundra Pvt Ltd	0.15	3.77
	Adani International Container Terminal Pvt Ltd	43.12	84.00
	Adani Kandla Bulk Terminal Pvt Ltd	280.71	629.70
	Adani Logistics Ltd	1,290.05	361.13
	Adani Murmugao Port Terminal Pvt Ltd	194.63	166.79
	Adani Petronet (Dahej) Port Pvt Ltd	606.23	71.10
	Adani Vizag Coal Terminal Pvt Ltd	204.24	42.89
	Dholera Infrastructure Pvt Ltd	0.11	0.02
	Karnavati Aviation Pvt Ltd	39.45	35.70
	MPSEZ Utilities Pvt Ltd	23.07	19.70
	Mundra International Airport Pvt Ltd	0.60	0.53
	Mundra SEZ Textile And Apparel Park Pvt Ltd	6.99	11.63
	Dholera Port And SEZ Ltd	4.10	–
	Mundra Solar Technopark Pvt Ltd	328.09	–
	Adani Vizhinjam Port Pvt Ltd	26.95	–
	Adani Food And Agro Processing Park Pvt Ltd	46.29	–
	Adani Kattupalli Port Pvt Ltd	90.90	–
	The Dhamra Port Company Ltd	921.75	1,550.55
	Maharashtra Eastern Grid Power Transmission Company Ltd	427.00	–
Advance / Deposit given	Adani Bunkering Pvt Ltd	300.00	–
	Adani Power Ltd	200.00	–
	Adani Enterprises Ltd	552.00	–
Loans Received back	Adani Agri Fresh Ltd	33.48	148.93
	Adani Ennore Container Terminal Pvt Ltd	6.00	–
	Adani Hazira Port Pvt Ltd	404.76	–
	Adani International Container Terminal Pvt Ltd	127.12	–
	Adani Enterprises Ltd	175.00	1,253.00
	Adani Hospitals Mundra Pvt Ltd	–	0.35
	Adani Kandla Bulk Terminal Pvt Ltd	145.29	26.43
	Adani Logistics Ltd	1,030.10	167.74
	Adani Murmugao Port Terminal Pvt Ltd	28.30	8.90
	Adani Petronet (Dahej) Port Pvt Ltd	102.38	61.55
	Adani Vizag Coal Terminal Pvt Ltd	8.85	88.19
	Dholera Infrastructure Pvt Ltd	4.09	–
	Adani Bunkering Pvt Ltd	–	192.67
	Mundra Solar Technopark Pvt Ltd	4.11	–
	Karnavati Aviation Pvt Ltd	28.50	39.00
	MPSEZ Utilities Pvt Ltd	23.20	19.57
	Mundra International Airport Pvt Ltd	2.50	1.40
	Mundra SEZ Textile And Apparel Park Pvt Ltd	2.59	0.97
	Maharashtra Eastern Grid Power Transmission Company Ltd	427.00	–
	The Dhamra Port Company Ltd	1,390.20	552.50

Notes to the Financial Statements for the year ended March 31, 2016

(₹ in Crores)

Category	Name of Related Party	March 31, 2016	March 31, 2015
Share Application Money Paid / Investment	Adani Vizhinjam Port Pvt Ltd	0.05	–
	Adani Kattupalli Port Pvt Ltd	0.05	–
	Adani LPG Terminal Pvt Ltd	0.05	–
	Adani Food And Agro Processing Park Pvt Ltd	0.05	–
	Adani Hospitals Mundra Pvt Ltd	–	0.25
	Adani Kandla Bulk Terminal Pvt Ltd	74.00	14.81
	Adani Vizag Coal Terminal Pvt Ltd	–	88.19
	Karnavati Aviation Pvt Ltd	–	25.00
	Mundra International Airport Pvt Ltd	2.00	1.00
	Adani CMA Mundra Terminal Pvt Ltd	–	30.40
	Mundra Solar Technopark Pvt Ltd	2.40	0.05
	Abbot Point Operations Pty Ltd, Australia	–*	–
	The Dhamra Port Company Ltd	–	500.00
Share Application Money Received Back	Adani Murmugao Port Terminal Pvt Ltd	–	2.79
Donation	Adani Foundation	40.00	33.00
Sale of Assets	Adani Hazira Port Pvt Ltd	0.13	–
	Adani International Container Terminal Pvt Ltd	0.72	–
Sale or Redemption of Investment	S. B. Adani Family Trust (SBAFT)	–	0.13
	Adani Green Energy Limited	1.90	–
Remuneration	Mr. Gautam S. Adani	1.80	1.80
	Mr. Sudipta Bhattacharya	3.14	6.80
	Dr. Malay Mahadevia	10.70	10.39
Commission to Director	Mr. Gautam S. Adani	1.00	1.00
Sitting Fees	Mr. Rajesh S. Adani	0.08	0.05
Corporate Guarantee Given	Adani International Container Terminal Pvt Ltd	USD 175.00 Mn	USD 75.00 Mn
	Adani International Container Terminal Pvt Ltd	–	305.00
	Adani CMA Mundra Terminal Pvt Ltd	448.00	–
Closing Balance			
Trade Receivable	Adani Enterprises Ltd	10.38	6.25
	Adani Foundation	0.01	0.01
	Adani Hazira Port Pvt Ltd	1.34	22.71
	Adani Infra (India) Ltd	–	0.10
	Adani International Container Terminal Pvt Ltd	4.54	61.34
	Adani Kandla Bulk Terminal Pvt Ltd	4.94	0.79
	Adani Logistics Ltd	0.93	5.00
	Adani Murmugao Port Terminal Pvt Ltd	0.01	0.27
	Adani Petronet Dahej Port Pvt Ltd	0.06	–
	Adani Power (Dahej) Ltd	15.74	22.69
	Adani Power Ltd	591.66	593.32
	Adani Power Maharashtra Ltd	–	0.06
	Adani Power Rajasthan Ltd	33.50	19.39
	Adani Vizag Coal Terminal Pvt Ltd	–	0.29
	Adani Wilmar Ltd	2.80	3.04
	Adani Bunkering Pvt Ltd	3.31	0.66
	MPSEZ Utilities Pvt Ltd	0.04	0.07
	Mundra SEZ Textile And Apparel Park Pvt Ltd	–	–*
	Sarguja Rail Corridor Pvt Ltd	0.11	–
	The Dhamra Port Company Ltd	24.04	14.05
	Mundra Solar Technopark Pvt Ltd	196.44	–
	Adani Mundra SEZ Infrastructure Pvt Ltd	6.90	–
	Adani Hospitals Mundra Pvt Ltd	0.01	–
	Adani Ennore Container Terminal Pvt Ltd	1.42	–
	Mundra Solar PV Ltd	0.79	–
		898.97	**750.04**

Notes to the Financial Statements for the year ended March 31, 2016

(₹ in Crores)

Category	Name of Related Party	March 31, 2016	March 31, 2015
Loans & Advances (including advance receivable in cash or kind)	Adani Agri Fresh Ltd	1,031.40	1,064.88
	Adani Ennore Container Terminal Pvt Ltd	401.02	64.67
	Adani Enterprises Ltd	804.33	250.00
	Adani International Container Terminal Pvt Ltd	–	84.00
	Adani Hazira Port Pvt Ltd	320.63	278.01
	Adani Hospitals Mundra Pvt Ltd	4.27	4.12
	Adani Kandla Bulk Terminal Pvt Ltd	1,063.39	927.72
	Adani Logistics Ltd	1,600.49	1,340.54
	Adani Murmugao Port Terminal Pvt Ltd	407.38	241.05
	Adani Petronet (Dahej) Port Pvt Ltd	513.46	9.55
	Adani Properties Pvt Ltd	1.00	1.00
	Adani Vizag Coal Terminal Pvt Ltd	268.86	73.48
	Adani Bunkering Pvt Ltd	310.32	0.15
	Dholera Infrastructure PvtLtd	4.80	8.79
	Dholera Port And SEZ Ltd	4.10	–
	Karnavati Aviation Pvt Ltd	153.85	142.90
	MPSEZ Utilities Pvt Ltd	0.02	0.15
	Mundra International Airport Pvt Ltd	6.83	8.74
	Mundra SEZ Textile And Apparel Park Pvt Ltd	28.99	24.59
	Mundra Solar Technopark Pvt Ltd	323.98	–
	The Dhamra Port Company Ltd	529.60	998.05
	Adani Mundra SEZ Infrastructure Pvt Ltd	24.75	–
	Adani Vizhinjam Port Pvt Ltd	26.95	–
	Delhi Golf Link Properties Pvt Ltd	100.00	100.00
	Adani Food And Agro Processing Park Pvt Ltd	46.29	–
	Adani Power Ltd	200.00	–
	Adani Kattupalli Port Pvt Ltd	90.90	–
		8,267.61	**5,622.37**
Capital Advances	Adani CMA Mundra Terminal Pvt Ltd	0.55	0.55
	Adani Bunkering Pvt Ltd	0.03	0.03
	Adani Mundra SEZ Infrastructure Pvt Ltd	22.00	–
		22.58	**0.58**
Trade Payable (including provisions)	Adani Enterprises Ltd	4.39	1.64
	Adani Hospitals Mundra Pvt Ltd	0.27	–*
	Adani Gas Ltd	–	–*
	Adani International Container Terminal Pvt Ltd	0.16	0.24
	Adani Logistics Ltd	1.22	1.16
	Adani Power Ltd	1.78	1.25
	Adani CMA Mundra Terminal Pvt Ltd	6.98	–
	Adani Kandla Bulk Terminal Pvt Ltd	–	0.17
	Adani Bunkering Pvt Ltd	10.72	0.53
	Karnavati Aviation Pvt Ltd	8.53	2.06
	MPSEZ Utilities Pvt Ltd	5.71	5.86
	Adani Mundra SEZ Infrastructure Pvt Ltd	0.47	–
	The Dhamra Port Company Ltd	0.04	–
	Adani Petronet (Dahej) Port Pvt Ltd	0.20	–
	Adani Infrastructure And Developers Private Limited	0.29	–
	Adani Townships And Real Estate Company Private Limited	0.01	–
	Adani Wilmar Ltd	0.09	–
		40.86	**12.91**

Notes to the Financial Statements for the year ended March 31, 2016

(₹ in Crores)

Category	Name of Related Party	March 31, 2016	March 31, 2015
Advances from Customer/ Sales of Assets	Adani Enterprises Ltd	0.48	26.88
	Adani Logistics Ltd	0.07	1.04
	Adani Wilmar Ltd	1.15	–
	Adani Bunkering Pvt Ltd	2.00	2.01
	Kutch Power Generation Ltd	3.21	3.21
	Adani Power Ltd	0.06	1.48
	Adani Mundra SEZ Infrastructure Pvt Ltd	0.02	–
	MPSEZ Utilities Pvt Ltd	–	0.01
	Adani Petronet Dahej Port Pvt Ltd	0.01	–
	Adani International Container Terminal Pvt Ltd	0.40	–
		7.40	**34.63**
Other Current Assets	Adani Agri Fresh Ltd	–	27.25
	Adani Hazira Port Pvt Ltd	0.61	–
	Adani International Container Terminal Pvt Ltd	44.72	44.99
	Adani Petronet (Dahej) Port Pvt Ltd	27.19	–
	Adani Murmugao Port Terminal Pvt Ltd	15.07	–
	Adani Kandla Bulk Terminal Pvt Ltd	38.33	87.88
	Adani Logistics Ltd	33.76	28.26
	Adani Vizag Coal Terminal Pvt Ltd	10.42	–
	Adani Power Ltd	125.81	97.09
	Adani Power Rajasthan Ltd	2.89	–
	Adani Bunkering Pvt Ltd	10.87	–
	Adani Wilmar Ltd	–	2.77
	MPSEZ Utilities Pvt Ltd	2.27	2.50
	Mundra SEZ Textile And Apparel Park Pvt Ltd	1.06	2.76
	The Dhamra Port Company Ltd	21.59	12.89
	Adani Ennore Container Terminal Pvt Ltd	12.10	–
	Mundra Solar Technopark Pvt Ltd	5.30	–
	Adani Mundra SEZ Infrastructure Pvt Ltd	51.85	–
	Adani Vizhinjam Port Pvt Ltd	0.40	–
	Abbot Point Port Holdings Pte Ltd- Singapore	87.53	81.62
	Adani Enterprises Ltd	5.37	–
	Adani Food And Agro Processing Park Pvt Ltd	0.19	–
	Adani Kattupalli Port Pvt Ltd	3.05	–
		500.38	**388.01**
Other Current Liabilities	Adani Enterprises Ltd	1.00	1.07
	Adani International Container Terminal Pvt Ltd	0.15	0.09
	Adani Logistics Ltd	0.01	0.01
	Adani Power Ltd	1.47	–
	Mundra Solar Technopark Pvt Ltd	31.23	–
	Adani Wilmar Ltd	1.85	1.85
	Adani Bunkering Pvt Ltd	0.25	0.25
	MPSEZ Utilities Pvt Ltd	0.00	0.00
	Shanti Builder	0.04	0.04
	Adani Food And Agro Processing Park Pvt Ltd	46.18	–
	Adani Kandla Bulk Terminal Pvt Ltd	–	0.46
		82.18	**3.77**

Notes to the Financial Statements for the year ended March 31, 2016

(₹ in Crores)

Category	Name of Related Party	March 31, 2016	March 31, 2015
Corporate Guarantee (given and outstanding)	Adani International Container Terminal Pvt Ltd	USD 250 Mn	USD 165.00 Mn
	Adani International Container Terminal Pvt Ltd	–	305.00
	Karnavati Aviation Pvt Ltd	274.84	259.26
	Adani CMA Mundra Terminal Pvt Ltd	448.00	–
	Mundra Port Pty Ltd, Australia	USD 800.00 Mn	USD 800.00 Mn
Corporate Guarantee (Deed of indemnity received)	Abbot Point Port Holdings Pte Ltd- Singapore	USD 800.00 Mn	USD 800.00 Mn

* Figures being nullified on conversion to ₹ in crore.

Notes:

1. The Company has allowed to some of its subsidiaries to avail non fund based bank guarantee and Letter of credit facilities out of its credit facilities. The aggregate of such transaction amount ₹ 990.46 crore (previous year ₹ 513.71 crore) is not disclosed in above schedule.
2. During the previous year ended March 31, 2015, loan amount of ₹ 500 crore given to The Dhamra Port Company Limited, got converted into equity shares of ₹ 500 crore issued by the subsidiary company.
3. During the year company has taken over assets and liabilities as per composite scheme of merger from Adani Enterprises Limited (refer note 42).
4. 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.
5. For the purpose of comparison, the previous year's transactions have been re-classified in the current year.

30. a) The Company 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 84.67 Million (INR 456.55 crore)	USD 355.50 Million (INR 1906.21 crore)	Hedging of equivalent rupee non convertible debentures aggregate of ₹ 456.55 crore. (previous year ₹ 1,829.39 crore and ₹ 76.82 crore of long term loan) to mitigate higher interest rate of INR borrowings as against the foreign currency loans with possible risk of principal currency losses.
Forward Contract	USD 320.50 Million (INR 2234.99 crore)	USD 12.50 Million (INR 82.98 crore)	Hedging of expected future billing based on foreign currency denominated tariff USD 320.50 Million (previous year USD 12.50 Million).
	USD 50.08 Million (INR 338.02 crore)	NIL	Hedging of foreign currency borrowing principal & interest liability of USD 50.08 Mn (previous year NIL)
	NIL	EUR 4.65 Million (INR 35.17 crore)	Hedging of foreign currency term loan instalment liability of NIL (previous year EUR 4.65 Million)
Options	USD 126.25 Million	NIL	Hedging of foreign currency borrowing principal liability of USD 126.25 Million (previous year NIL)
Interest rate Swap -variable to fixed rate	Interest on USD 100.00 Million Principal amount	Interest on USD 5.00 Million Principal amount	Hedging of interest rate on foreign currency borrowing liability equivalent of USD 100 Million (previous year USD 5 Million)
Foreign Currency - INR Full Currency Swap	USD 35 Million (INR 228.76 crore)	NIL	Hedging of currency and interest rate risk of foreign currency borrowing of USD 35 Million (previous year NIL)
Interest rate future	NIL	INR 104.52 Crore	Hedging of Interest costs on rupee term loan NIL (previous year ₹ 104.52 crore)

Notes to the Financial Statements for the year ended March 31, 2016

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 (₹ In Crore)	Foreign Currency (in Million)		Amount (₹ In Crore)	Foreign Currency (in Million)	
Foreign Currency Loan	2,403.57	USD	362.78	4,834.06	USD	773.45
	463.45	EUR	61.47	461.04	EUR	68.62
	110.21	JPY	1868.49	116.09	JPY	2226.88
Foreign Currency Bond	4,306.58	USD	650.00	–		–
Buyer's Credit	68.24	USD	10.30	249.52	USD	39.92
	13.45	EUR	1.78	26.95	EUR	4.01
Trade Payables	2.61	USD	0.39	2.56	USD	0.41
	0.86	EUR	0.11	2.60	EUR	0.39
	0.81	JPY	13.67	0.43	JPY	8.29
	*	SGD	#	0.03	SGD	0.01
	–		–	*	GBP	#
Other Current Liabilities	4.34	USD	0.66	1.33	USD	0.21
	0.69	EUR	0.09	0.30	EUR	0.04
	–		–	0.01	JPY	0.16
Interest accrued but not due	10.26	USD	1.55	30.86	USD	4.94
	1.61	EUR	0.21	2.01	EUR	0.30
	1.00	JPY	16.87	1.04	JPY	19.88
Other Receivable	87.54	AUD	17.17	81.62	AUD	17.17

* Figures being nullified on conversion to ₹ in crore.

Figures being nullified on conversion to foreign currency in million.

Closing rates as at March 31 :

		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

Notes to the Financial Statements for the year ended March 31, 2016

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.

31. 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, 2016. 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 Crores)

S.No.	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	0.36	0.30
	Interest	Nil	Nil
2	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
3	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
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

Notes to the Financial Statements for the year ended March 31, 2016

32. 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 ₹ 624.34 crore (previous year ₹ 450.60 crore) for current taxation based on its book profit for the financial year 2015-16 and has recognised MAT credit of ₹ 607.82 crore (previous year ₹ 510.79 crore) (read with note 36(m)) 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.

33. 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 Crores)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
A. **Project Expenditure**	698.91	483.43
B. **Capital Inventory** (Including Goods in transit of ₹ 30.68 crore (previous year ₹ 23.00 crore))	157.69	179.76
C. **Expenditure during Construction Period :**		
Personnel Expenses		
Salaries, Wages & Bonus	6.52	7.69
Contribution to Provident Fund	0.27	0.33
Sub Total	6.79	8.02
Administrative and Other Expenses		
Traveling and Conveyance	0.07	–
Legal and Professional Fees	0.10	–
Sub Total	0.17	–
Finance Cost		
Interest on Borrowings	27.52	–
Sub Total	27.52	–
Less: Interest Income on Bank Deposits	(13.90)	–
Depreciation	61.52	76.06
Total Expenditure	82.10	84.08
Brought Forward from Previous Year	–	–
Total	82.10	84.08
Capitalized / allocation during the year	82.10	84.08
Balance Carried Forward Pending Allocation/Capitalization	–	–
Total Capital Work In Progress (A + B + C)	856.60	663.19

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.

34 CAPITAL COMMITMENTS AND OTHER COMMITMENTS

Capital Commitments

(₹ in Crores)

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	893.68	818.83

Other Commitments

a) The port projects of subsidiary companies viz. Adani Hazira Port Private Limited, Adani Petronet (Dahej) Port Private Limited, Adani Murmugao Port Terminal Private Limited ("AMPTPL"), Adani Vizag Coal Terminal Private Limited, The Dhamra Port Company Limited ("DPCL") and joint venture company Adani International Container Terminal Private Limited ("AICTPL") have been funded through various credit facility agreements with banks. Against the said facilities

Notes to the Financial Statements for the year ended March 31, 2016

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 (incase 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. (Incase of AICTPL, jointly with Joint Venture partner of which 12.98% share 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 Mormugao 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%

Further, the Company has issued letter of comfort against the credit facility of ₹ 165 crore availed by Adani Hazira Port Private Limited.

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 ₹ 302 crore.

(ii) Memorandum of Understanding (MoU) entered to acquire immovable properties including in the nature of corporate office and flats for staff. Transaction is subject to final valuation. Advance given ₹ 700 crore.

(iii) Contract/ Commitment for purchase of certain supplies. Advance given ₹ 300 crore.

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 government and regulatory approvals and the port business 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 w.e.f November 01, 2015.

d) Company has imported duty free Plant and Machinery under the EPCG Scheme which the Company has export obligation of ₹ 17.73 crore that is equivalent to 6 times of duty saved NIL (previous year ₹ 2.95 crore). During the year Company has fulfilled export obligation.

e) As at March 31, 2016, the Company has spent cost of ₹ 493 crores 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.

35 DISCLOSURE PURSUANT OF ACCOUNTING STANDARD (AS) – 7 (REVISED) – CONSTRUCTION CONTRACTS ARE AS UNDER

(₹ in Crores)

Particulars	As at March 31, 2016	As at March 31, 2015
a) Contract revenue recognized during the year	179.36	10.17
b) Disclosure for Contract in Progress		
(i) Aggregate amount of contract costs incurred up to date	54.39	5.82
(ii) Recognised Profit (Less recognised losses)	124.97	4.35
(iii) Customer advances outstanding	–	–
(iv) Retention money due from customers	0.30	2.87
c) Amount due from customers	15.75	–
d) Amount due to customers	–	–

Notes to the Financial Statements for the year ended March 31, 2016

36 CONTINGENT LIABILITIES NOT PROVIDED FOR

(₹ in Crores)

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 subsidiaries and joint venture entities. Amount outstanding there against ₹ 1,779.87 crore (previous year ₹ 1,515.68 crore)	2,379.21	1,595.51
b.	Corporate Guarantee given to a bank for credit facility availed by erstwhile subsidiary company, Mundra Port Pty Limited, Australia read with note (n) below. (Amount outstanding there against ₹ 3,001.35 crore (previous year ₹ 3,043.75 crore)	(refer note (n))	(refer note (n))
c.	Bank Guarantees and Letter of Credit facilities availed by the subsidiaries and joint ventures against credit facilities sanctioned to the Company.	963.96	487.21
d.	Bank Guarantees given to government authorities and banks (also includes DSRA bank guarantees given to bank on behalf of subsidiaries and erstwhile subsidiaries.)	52.74	129.01
e.	Civil suits filed by the Customers for recovery of damages against certain performance obligations. The said civil suits are currently pending with various Civil Courts in Gujarat. The management is reasonably confident that no liability will devolve on the Company in this regard and hence no provision is made in the books of accounts towards these suits.	0.94	0.94
f.	Show cause notices from the Custom Authorities against duty on port related cargo. The Company has given deposit of ₹ 0.05 crore (previous year ₹ 0.05 crore) against the demand. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognised in the books of accounts.	0.14	0.19
g.	Customs department notice for wrongly availing duty benefit exemption under DFCEC Scheme on import of equipment. The Company has filed its reply to the show cause notice with Deputy Commissioner of Customs, Mundra and Commissioner of Customs, Mumbai against order in original. The management is of view that no liability shall arise on the Company.	0.25	0.25
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 ₹ 4.50 crore (previous year ₹ 4.50 crore) 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).	20.07	111.80

Notes to the Financial Statements for the year ended March 31, 2016

(₹ in Crores)

S.No.	Particulars	As at March 31, 2016	As at March 31, 2015
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 availement of CENVAT credit by the Company during financial year 2009-10 to 2011-12. The matter is currently pending at High Court of Gujarat ₹ 6.72 crore (previous year ₹ 6.72 crore); and Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad ₹ 0.15 crore (previous year ₹ 0.15 crore) and Commissioner of Service Tax Ahmedabad ₹ 0.03 crore (previous year ₹ 0.03 crore). The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company.	6.90	6.90
j.	Commissioner of Customs, Ahmedabad has demanded vide letter no.4/Comm./SIIB/2009 dated 25/11/2009 for recovery of penalty in connection with import of Air Craft which is owned by Karnavati Aviation Private Limited (Formerly Gujarat Adani Aviation Private Limited.), subsidiary of the Company. Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal against the demand order, the management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognized in the books of account.	2.00	2.00
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 devolve on the Company.	refer note (m) below	refer note (m) below
l.	Bills discounted with banks	379.79	449.67

(m) 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 ₹ 103.90 and ₹ 77.96 crore for year ended March 31, 2016 and year ended March 31, 2015, respectively. Aggregating higher MAT credit entitlement of ₹ 240.86 crore as at March 31, 2016 has been accounted in the books of the Company.

(n) 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.

37 Additional Information pursuant to the provisions of Schedule III to the Companies Act, 2013 to the extent applicable :

a) Expenditure in Foreign Currency (accrual basis)

(₹ in Crores)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest	240.87	203.64
Bank Charges	4.28	0.54
Fees and Legal Expenses*	40.70	1.85
Donation	2.99	–
Others	2.60	0.02
Repairs & Maintenance	12.38	1.40
Advertisement and Publicity	0.67	–

*Note- Above expenses includes ₹ 39.12 crore (previous year NIL) paid for services rendered in respect of Bond issued by the Company during the year, is adjusted against securities premium in accordance with Section 52 of the Companies Act, 2013.

b) Earnings in Foreign Currency (accrual basis)

(₹ in Crores)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Storage Rental	–	–

c) CIF value of imports:

(₹ in Crores)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Stores & Spares	17.47	17.95
Fuel	–	177.08
Capital goods	41.30	59.68

d) Imported and indigenous stores and spares consumed

(₹ in Crores)

Particulars	Consumption		% of Consumption	
	2015-16	2014-15	2015-16	2014-15
Imported	16.32	16.29	17.06%	20.92%
Indigenous	79.31	61.56	82.94%	79.08%
Total	**95.63**	**77.85**	**100.00%**	**100.00%**

e) Net dividend remitted in foreign exchange

(₹ in Crores)

Particulars	Year ended March 31, 2016 Interim	Year ended March 31, 2015 Final
Number of non-resident shareholders	2	–
Number of equity shares held on which dividend was due	5,222,685	–
Amount remitted (USD in Million)	0.09	–
Equivalent (₹ in crore)	0.57	–
Year to which it relates	2015-16	–

Notes to the Financial Statements for the year ended March 31, 2016

38. The following are the details of loans and advances in the nature of loans given to subsidiaries, associates and other entities in which directors are interested in terms of regulation 53 (F) read together with para A of Schedule V of SEBI (Listing Obligation and Disclosure Regulation, 2013). (₹ in Crores)

Name of Entities	Outstanding amount as at		Maximum amount outstanding during the year	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Adani Logistics Limited	1,600.49	1,340.54	1,604.89	1,346.73
Adani Kandla Bulk Terminal Private Limited	1,063.14	927.72	1,118.32	929.52
The Dhamra Port Company Limited	529.60	998.05	1,369.34	1,488.19
Adani Petronet (Dahej) Port Private Limited	513.45	9.60	536.83	51.10
Adani Murmugao Port Terminal Private Limited	407.38	241.05	407.38	241.05
Adani Ennore Container Terminal Private Limited	401.02	64.67	401.02	64.67
Adani Hazira Port Private Limited	320.46	278.01	543.21	278.01
Adani Vizag Coal Terminal Private Limited	268.87	73.48	270.35	141.69
Karnavati Aviation Private Limited	153.85	142.90	169.55	167.90
Adani Kattupalli Port Private Limited	90.90	–	90.90	–
Adani Food And Agro-Processing Park Private Limited	46.29	–	46.29	–
Mundra SEZ Textile and Apparel Park Private Limited	28.99	24.59	29.20	25.37
Adani Vizhinjam Port Private Limited	26.95	–	26.95	–
Mundra International Airport Private Limited	6.83	8.74	8.80	9.74
Adani Hospitals Mundra Private Limited	4.27	4.12	4.27	4.13
MPSEZ Utilities Private Limited	–	0.13	7.10	7.30
Adani International Container Terminal Private Limited	–	84.00	84.00	84.00
Adani Agri Fresh Limited	1,031.40	1,064.88	1,064.88	1,164.88
Mundra Solar Technopark Private Limited	323.98	–	324.09	–
Dholera Infrastructure Private Limited	4.80	8.79	8.89	8.79
Dholera Port & Special Economic Zone Limited	4.10	–	4.10	–
Maharashtra Eastern Grid Power Transmission Private Limited	–	–	427.00	–
Adani Enterprises Limited	–	–	175.00	853.00
Chemoil Adani Private Limited	–	–	–	192.67

Note -All loans are given on interest bearing except loan to Adani Logistics Limited (part of the loan), The Dhamra Port Company Limited (part of loan), Dholera Infrastructure Private Limited, Dholera Port & Special Economic Zone Limited. Karnavati Aviation Private Limited, Adani Hospitals Mundra Private Limited.

39. 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 ₹ 200 crore 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 ₹ 222.36 crores towards development of Port Infrastructure Facilities to support LNG Project at Mundra. Based on broader understanding as per Preliminary agreement between the Company and the party, the Company expects to sale / lease these infrastructure facilities once definitive agreement for Mundra LNG Project is concluded.

Notes to the Financial Statements for the year ended March 31, 2016

40. a) The Company is carrying net investments of ₹ 275.87 crores and has outstanding net loans and advances of ₹ 1,739.38 crores provided to three operating subsidiaries of the Company, engaged in development and operation of Port Infrastructure facilities under concession agreement with various port trust authorities. As at March 31, 2016 net worth of these entities have been eroded to ₹ 18.75 crore as per the audited financial statements. Further, the Company has also issued bank gurantee on behalf of these subsidiaries of ₹ 40.17 crores.

The Management represents that, considering the gestation period required for break even for development of port infrastructure investments and these entities came into operations during past 1-2 years period, going forward these entities are expected to have higher profit based on future business projections. Further, considering the strategic nature of these investments, no provision to the carrying value of said investments / loans is considered necessary by the management as at March 31, 2016.

b) The Company is carrying net investments of ₹ 47.45 crores and has outstanding net loans and advances of ₹ 182.84 crores provided to two other operating subsidiaries of the Company engaged in the business of non-scheduled airline services and development of integrated textile park whose net worth is of ₹ 3.92 crore (negative) as at March 31, 2016. Further, the Company has also issued corporate gurantee of ₹ 274.84 crores against the loan availed by a subsidiary as well as bank guarantee of ₹ 59.94 crores issued for one of the subsidiary.

The management of the Company expects that there will be increase in the operations which would improve cash flows and long term sustainability of these Companies. Further, the Company has undertaken to provide such financial support as necessary, to enable to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. Accordingly, no provision to the carrying value of said investments / loans is considered necessary by the management as at March 31, 2016.

41. During the current year, the Company has issued USD 650 million (equivalent to ₹ 4,306.58 crore), 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 ₹ 59.54 crore 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 ₹ 48.88 crore 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.

42. 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 1,55,23,61,640 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 ₹ 26.80 Crore 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 ₹ 28.02 crore, trade payable of ₹ 4.66 crore, trade receivable of ₹ 3.04 crore and loans and advances ₹ 0.57 crore.

Notes to the Financial Statements for the year ended March 31, 2016

43. 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 Crores)

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	32.06	31.29	247.22	262.48
Non-Current liabilities		–	562.49	529.88
Current Liabilities	205.65	0.28	298.07	337.62
Non-Current Assets	226.34	–	1,086.41	1,113.15
Current Assets	11.37	31.57	21.37	16.83
Revenue	1.26	1.78	216.99	184.20
Operating Expenses	–	–	(48.92)	(42.73)
Terminal Royalty Expenses	–	–	(39.30)	(31.99)
Employee Benefit Expenses	–	–	(2.99)	(2.91)
Depreciation Expenses	–	–	(58.87)	(59.38)
Other Expenses	(0.07)	(0.31)	(5.22)	(4.38)
Finance Charges	(0.03)	–	(47.58)	(57.84)
Profit / (Loss) Before Tax	**1.16**	**1.47**	**14.11**	**(15.03)**
Income-Tax Expense	(0.39)	(0.58)	(29.38)	(13.01)
Profit / (Loss) After Tax	**0.77**	**0.89**	**(15.27)**	**(28.04)**
Capital and other commitments	**–**	**–**	**1,202.59**	**0.01**

Incorporated during the previous year on July 30, 2014.

44. 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 & Managing Director)
DIN: 00006273

Rajesh S. Adani
(Director)
DIN: 00006322

Dr. Malay Mahadevia
(Wholetime Director)
DIN: 00064110

B Ravi
(Chief Financial Officer)

Place: Ahmedabad
Date: May 03, 2016

Dipti Shah
(Company Secretary)

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 March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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 ₹ 8,114.18 crores as at March 31, 2016, and total revenues and net cash inflows of ₹ 1,631.58 crores and ₹ 72.81 crores 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 ₹ 4.33 crores 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 03, 2016

Annexure 1 to the Independent Auditors' Report of even date on the consolidated 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")

To the Members of
ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

In conjunction with our audit of the consolidated financial statements of Adani Ports and Special Economic Zone Limited as of and for the year ended March 31, 2016, 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, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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, its associate 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, 2016, 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, in so far as it relates to these twelve subsidiary companies and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and associate companies incorporated in India.

We also have audited, 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, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2016, and 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, and our report dated May 3, 2016 expressed and unqualified opinion.

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 03, 2016

Consolidated Balance Sheet as at March 31, 2016

(₹ in Crores)

Particulars	Notes	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND			
Share Capital	4	417.00	416.82
Reserves and Surplus	5	12,806.63	10,351.05
Sub Total		**13,223.63**	**10,767.87**
Minority Interest		**142.88**	**158.98**
NON-CURRENT LIABILITIES			
Long-Term Borrowings	6	16,305.56	13,849.78
Deferred Tax Liabilities (net)	7	1,066.53	859.02
Other Long-Term Liabilities	8	606.35	684.56
Long-Term Provisions	9	73.07	292.78
Sub Total		**18,051.51**	**15,686.14**
CURRENT LIABILITIES			
Short-Term Borrowings	10	3,194.16	1,305.55
Trade Payables	11		
- Total Outstanding dues of Micro and Small Enterprises		0.32	0.30
- Total Outstanding dues of creditors other than Micro and Small Enterprises		404.52	362.04
Other Current Liabilities	12	4,247.52	3,321.37
Short-Term Provisions	9	99.93	479.94
Sub Total		**7,946.45**	**5,469.20**
Total		**39,364.47**	**32,082.19**
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible Assets	13	18,339.24	17,807.66
Intangible Assets	13	112.57	119.51
Capital Work-In-Progress	35	2,386.63	1,275.55
		20,838.44	19,202.72
Goodwill on Consolidation		2,599.72	2,599.72
Non-Current Investments	14	207.89	57.35
Deferred Tax Assets	7	0.07	–
Loans and Advances	15	7,696.77	2,490.13
Trade Receivables	18	22.00	438.86
Other Non-Current Assets	19	1,338.06	502.55
Sub Total		**32,702.95**	**25,291.33**
CURRENT ASSETS			
Current Investments	16	136.57	202.87
Inventories	17	213.74	259.19
Trade Receivables	18	1,943.69	1,287.77
Cash and Bank Balances	20	1,290.95	633.78
Loans and Advances	15	2,335.97	3,743.80
Other Current Assets	19	740.60	663.45
Sub Total		**6,661.52**	**6,790.86**
Total		**39,364.47**	**32,082.19**
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 & Managing Director)
DIN: 00006273

Rajesh S. Adani
(Director)
DIN: 00006322

Dr. Malay Mahadevia
(Wholetime Director)
DIN: 00064110

B Ravi
(Chief Financial Officer)

Place: Ahmedabad
Date: May 03, 2016

Dipti Shah
(Company Secretary)

Consolidated Statement of Profit & Loss for the year ended March 31, 2016

(₹ in Crores)

Particulars	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
INCOME			
Revenue from Operations (net)	21	7,255.73	6,151.98
Other Income	22	684.82	685.64
Total Revenue		**7,940.55**	**6,837.62**
EXPENSES			
Operating Expenses	23	1,791.81	1,656.21
Employee Benefits Expenses	24	282.17	237.16
Finance Costs	26	1,099.04	1,175.06
Depreciation and Amortization Expense (refer note 3.1 (a) (i) and (iii))		1,079.44	911.68
Other Expenses	25	531.23	356.30
Total Expenses		**4,783.69**	**4,336.41**
Profit before Tax		**3,156.86**	**2,501.21**
Tax Expense:			
- Current Tax (Minimum Alternate Tax) (MAT) (Refer Note 33)		733.36	539.20
- MAT Credit Entitlement (Incl. additional MAT credit, Refer note 38 (u))		(613.60)	(526.73)
- Excess provision of Earlier Years Written Back		(0.27)	(31.29)
- Deferred Tax Charge		207.43	195.54
Profit After Tax and before share of (Loss)/Profit from associates		**2,829.94**	**2,324.49**
Add :- Share of (loss) from Associates		**(4.68)**	**–**
		2825.26	**2,324.49**
Net Profit for the year attributable to			
- Minority Interest		(42.10)	10.16
- Equity Holders of the parent		2,867.36	2,314.33
Earning per Equity Share (in ₹) face value of ₹ 2 each	27		
- Basic		**13.85**	11.18
- Diluted		**13.85**	11.18
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
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B Ravi
(Chief Financial Officer)

Place: Ahmedabad
Date: May 03, 2016

Dipti Shah
(Company Secretary)

Consolidated Cash Flow Statement for the year ended March 31, 2016

(₹ in Crores)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A. Cash Flow from Operating Activities		
Net Profit Before Tax	**3,156.86**	**2,501.21**
Adjustments for:		
Depreciation and Amortisation Expense	1,079.44	911.68
Unclaimed Liabilities / Excess Provision Written Back	(13.85)	(42.27)
Amortisation of Cost of Land Lease	6.09	0.02
Amortisation of Amounts Received under Long Term Land Lease/ Infrastructure Usage Agreements	(40.95)	(40.89)
Interest Expense	1,154.42	1,186.87
Amoritzation of Ancillary Finance Cost	69.78	57.35
Service Line Contribution amortized during the year	(0.43)	(0.19)
Unrealised Foreign Exchange Loss	97.96	55.57
Derivative (Gain)	(125.16)	(69.16)
Provision for doubtful debts	7.65	4.96
Provision for doubtful advances	13.76	–
Interest Income	(620.47)	(601.04)
Dividend Income	(1.88)	(11.24)
Profit on sale of current investments	(30.05)	(7.84)
Loss on sale of fixed assets	2.91	–
Profit on sale of non current investment	(0.35)	–
Operating Profit before Working Capital Changes	**4,755.73**	**3,945.03**
Adjustments for:		
(Increase)/Decrease in Trade Receivables	(243.67)	53.41
(Increase) in Inventories	(4.71)	(66.19)
(Increase) in Other Assets	(742.65)	(348.71)
(Increase) in Loans and Advances	(493.53)	(82.34)
Increase in Provisions	21.32	13.04
Increase/(Decrease) in Trade Payables	37.94	(63.18)
(Decrease)/Increase in Other Liabilities	(6.57)	92.83
Cash Generated from Operations	**3,323.86**	**3,543.89**
Direct Taxes (paid) (Net of Refunds)	(745.23)	(486.82)
Net Cash flow from Operating Activities	**2,578.63**	**3,057.07**
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets including Capital work in progress and Capital Advance	(2,526.81)	(1,801.02)
Capital Advance received back	–	555.00
Deposits given against Capital Commitments	(914.50)	–
Payment/Advance paid towards acquistion of subsidiaries	(302.00)	(2242.69)
Investment made in Non Convertible Redeemable Debentures	(150.00)	–
Purchase of Non current Investment	(2.44)	–
Proceed from Sale of Investment in Associates and others	1.90	0.13
Sale/(Purchase) of investments in Mutual Fund (net) (Refer note 3)	96.35	(196.93)
Inter-Corporate Deposits/ Loans given	(4,803.33)	(1,928.96)
Inter-Corporate Deposits/ Loans received back	3,775.82	2,121.28
Proceeds from / (Deposits in)Fixed Deposits with a maturity period of more than 90 days (net)	(393.55)	231.13
Proceeds from sale of Fixed Assets	14.56	17.09
Dividend received	1.88	19.08
Interest received	546.51	740.66
Net Cash Flow Used in Investing Activities	**(4,655.61)**	**(2,485.23)**

Consolidated Cash Flow Statement for the year ended March 31, 2016

(₹ in Crores)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings (including Bond Issue Proceeds)	13,799.04	5,105.54
Repayment of Long Term Borrowings (including Debentures)	(11,203.55)	(4,708.45)
Proceeds from Short Term Borrowings	16,180.62	1,477.38
Repayment of Short Term Borrowings	(14,290.87)	(596.60)
Interest & Finance Charges Paid	(1,213.63)	(1,200.22)
(Loss)/ Gain on settlement/cancellation of derivative contracts	(217.10)	(77.30)
Cost of Issuance of Bonds/ Debentures and Premium paid on redemption of debentures	(88.62)	–
Payment of Dividend on Equity and Preference Shares	(455.05)	(206.91)
Tax on Equity and Preference Shares Dividend Paid	(92.74)	(35.18)
Service Line Contribution received	3.10	0.09
Inflow from Minority Shareholder	26.00	5.12
Net Cash Flow From Financing Activities	**2,447.20**	**(236.53)**
D. Net Increase in Cash and Cash Equivalents (A+B+C)	**370.22**	**335.31**
E. Cash and Cash Equivalents at the Beginning of the Year	**485.49**	**150.17**
F. Cash and Cash Equivalents on acquisition of subsidiary	**–**	**0.01**
G. Cash and Cash Equivalents at the End of the Year	**855.71**	**485.49**
H. Components of Cash & Cash Equivalents		
Cash on Hand	0.06	0.13
Cheques on hand	150.00	100.00
Balances with Scheduled Banks		
- On Current Accounts	597.84	69.66
- On Current Accounts Earmarked for unpaid dividend	1.50	1.04
- On Fixed Deposit Accounts	106.31	314.66
I. Cash and Cash Equivalents at the end of the year (Refer note 20)	**855.71**	**485.49**
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 ₹ 50.05 crore given to BMV Developers Private Limited in to Securtiy Deposit. Thus, the impact of this transaction has not been given in the cash flow statement.

3 Purchase of investment in Mutual Fund of ₹ 44,896.57 crore (previous year ₹ 10,556.32 crore) and sale of Mutual Fund of ₹ 44,992.93 crore (previous year ₹ 10,359.29 crore).

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 & 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
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DIN: 00006273

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B Ravi
(Chief Financial Officer)

Place: Ahmedabad
Date: May 03, 2016

Dipti Shah
(Company Secretary)

Notes to the Consolidated Financial Statements for the year ended March 31, 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 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.

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

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 APSEZL. 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 APSEZL.

xxii) Adani Vizhinjam Port Private Limited is incorporated on July 27, 2015 as a 100% subsidiary of the APSEZL. 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 9, 2015 to transfer the Port business of LTSB subject to the approvals from authorities, and till the approval received, the company has decided 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 om 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

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

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 ₹ 36.76 crore (net of tax impact of ₹ 9.83 crore) and the tangible asset would correspondingly have been lower by ₹ 46.59 crore.

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 in 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 ₹ 71.27 crores. The cumulative impact of all derivative contracts outstanding as at that date of the Guidance

Note becoming effective, amounting to ₹ 0.40 crores 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 ₹ 50.16 crores, Fixed Assets would have been lower by ₹ 50.16 crores, depreciation would have been lower by ₹ 5.65 crores, and profit for the current period would have been higher by ₹ 5.65 crores.

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

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**

Watyerfront 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 ₹ 3.10 crore (Previous year ₹ 0.09 crore) 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

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

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 accounts 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

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

4 SHARE CAPITAL

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Authorized shares		
50,00,000 (previous year 50,00,000) Non Cumulative Redeemable Preference Shares of ₹ 10 each	5.00	5.00
4,97,50,00,000 (previous year 4,97,50,00,000) Equity Shares of ₹ 2 each	995.00	995.00
	1,000.00	**1,000.00**
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).	**2.81**	**2.81**
2,07,09,51,761 (previous year 2,07,00,51,620) fully paid up Equity Shares of ₹ 2 each.	414.19	414.01
Total issued, subscribed and fully paid-up share capital	**417.00**	**416.82**

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 Crores)	No.	(₹ in Crores)
At the beginning of the year	28,11,037	2.81	28,11,037	2.81
Outstanding at the end of the year	**28,11,037**	**2.81**	**28,11,037**	**2.81**

Equity Shares	March 31, 2016		March 31, 2015	
	No.	(₹ in Crores)	No.	(₹ in Crores)
At the beginning of the year	2,07,00,51,620	414.01	2,07,00,51,620	414.01
Add- Issued during the year (refer note 44)	1,55,32,61,781	310.65	–	–
Less- Cancelled during the year (refer note 44)	(1,55,23,61,640)	(310.47)	–	–
Outstanding at the end of the year	**2,07,09,51,761**	**414.19**	**2,07,00,51,620**	**414.01**

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 28,11,037 0.01 % Non-Cumulative Redeemable Preference Shares ('NCRPS') of ₹ 10 each issued at a premium of ₹ 990 per share. Each holder of preference shares has a right to vote only on resolutions placed before the company which directly affects the right attached to preference share holders. These shares are redeemable on March 28, 2024 at an aggregate premium of ₹ 278.29 crore (equivalent to ₹ 990.00 per share). 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:

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Adani Enterprise Limited, the holding company		
NIL (previous year 1,55,23,61,640) equity share of ₹ 2 each fully paid	–	310.47

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

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)	87,73,17,807	42.36%	–	–
ii) Adani Properties Private Limited	14,05,12,153	6.78%	–	–
iii) Vinodbhai Shantilal Adani	13,07,94,953	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

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Securities Premium Account		
- Preference		
Balance as per the last consolidated financial statements	125.25	139.16
Less: transferred to Preference Share Capital Redemption Premium Reserve	(13.91)	(13.91)
Closing Balance	**111.34**	**125.25**
- Equity		
Balance as per the last consolidated financial statements	2,660.14	2,660.14
Less - During the year utilisation towards (refer note 43)		
a) Bond Issue Expenses	(39.74)	–
b) Costs incurred on Issue of Debentures	(6.49)	–
c) Premium paid on Buy Back of Debentures	(42.39)	–
d) Difference Between Issue Price and Face Value of Bond	(19.80)	–
Closing Balance	**2,551.72**	**2,660.14**
Debenture Redemption Reserve		
Balance as per the last consolidated financial statements	399.38	120.45
Add: transferred from surplus balance in the consolidated statement of profit and loss	515.38	368.68
Less: transferred to General Reserve	(275.88)	(89.75)
Closing Balance	**638.88**	**399.38**
Capital Redemption Reserve		
Balance as per the last consolidated financial statements	1.54	1.40
Add: transferred from surplus balance in the consolidated statement of profit and loss	0.14	0.14
Closing Balance	**1.68**	**1.54**

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Capital Reserve		
Government Grant		
Balance as per the last consolidated financial statements	22.83	22.83
Add : Government grant received during the year	–	–
	22.83	**22.83**
Initial Contribution for Services - MUPL		
Balance as per the last consolidated financial statements	6.03	6.13
Add : Contribution during the year	3.10	0.09
Less : transferred to consolidated statement of profit and loss	(0.43)	(0.19)
	8.70	**6.03**
	31.53	**28.86**
Preference Share Capital, Redemption Premium Reserve		
Balance as per the last consolidated financial statements	153.05	139.14
Add: transferred from Securities Premium Account	13.91	13.91
Closing Balance	**166.96**	**153.05**
General Reserve		
Balance as per the last consolidated financial statements	1,320.55	1,012.49
Add: transferred from surplus balance in the consolidated statement of profit and loss	–	218.31
Add : Excess of net assets taken over and share issued under scheme of demerger (refer note 44)	26.80	–
Add : transferred from Debenture Redemption Reserve	275.88	89.75
Closing Balance	**1,623.23**	**1,320.55**
Foreign Currency Monetary Item Translation Difference Account		
Balance as per the last consolidated financial statements	(202.67)	(183.99)
Add : foreign currency (Loss) during the year	(160.87)	(77.01)
Less : amortised in consolidated statement of profit and loss	101.84	58.33
Closing Balance	**(261.70)**	**(202.67)**
Foreign Currency Translation Reserve		
Balance as per the last consolidated financial statements	–	–
Add : Addition during the year	**(0.02)**	**–**
Closing Balance	**(0.02)**	**–**
Surplus in the consolidated statement of profit and loss		
Balance as per last consolidated financial statements	5,864.95	4,433.53
Profit for the year	2,867.36	2,314.33
	8,732.31	**6,747.86**
Less: Appropriations		
Final Dividend on Preference Shares	*–	*–
Tax on Final Dividend on Preference Shares (including surcharge)	*–	*–
Interim Dividend on Equity Shares	227.80	–
Tax on Interim Dividend on Equity Shares	46.38	–
Proposed Final Dividend on Equity Shares	–	227.71
Tax on Final Equity Dividend (including surcharge)	–	46.36
Transfer to Capital Redemption Reserve	0.14	0.14
Transfer to General Reserve	–	218.31
Transfer to Debenture Redemption Reserve	515.38	368.68
Depreciation charged to Retained Earning (net of deferred tax)	–	21.71
Marked to market opening gain to retained earning (Refer note 3.1 (a) (ii))	(0.40)	–
Net Surplus in the consolidated statement of profit and loss	**7,943.01**	**5,864.95**
* Figures being nullified on conversion to ₹ in crore.		
Total reserves and surplus	**12,806.63**	**10,351.05**

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

6 LONG-TERM BORROWING

(₹ in Crores)

Particulars	Non-current portion		Current maturities	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
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 ₹ 495 crore has been redeemed before maturity.	494.00	989.00	–	–
9,000 (previous year NIL) 9.05% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Bullet Redeemable of ₹ 750 crore on April 18, 2019 and ₹ 150 crore on May 22, 2019)	900.00	–	–	–
5,000 (previous year NIL) 9.15% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Bullet Redeemable on April 28, 2017)	500.00	–	–	–
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 ₹ 20.00 crore has been redeemed before maturity.	170.00	510.00	320.00	–
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).	–	500.00	500.00	–
4,000 (previous year 10,000) 9.80% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Redeemable at 1 instalment of ₹ 400 crore payable on June 18, 2016).	–	400.00	400.00	600.00
2,000 (previous year 5,000) 10.05% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Redeemable at 1 instalment of ₹ 200 crore payable on June 15, 2016).	–	200.00	200.00	300.00
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).	95.00	581.00	55.00	64.00
Term loans				
Foreign currency loans:				
From banks (secured)	6,600.37	6,028.85	594.68	958.32
From banks (unsecured)	1,964.06	14.75	335.45	3.69
From Other financial institutions (secured)	720.10	891.66	34.65	56.57
3.50% Foreign Currency Bond priced at 195 basis points over the 5 years US Treasury Note (unsecured)	4,306.58	–	–	–
From Other (unsecured)	0.39	–	–	–
Rupee loans:				
From banks (secured)	547.23	3,731.19	18.37	175.57
From others (unsecured)	4.45	3.33	–	–
Suppliers bills accepted under foreign currency letters of credit				
From banks (secured)	–	–	272.69	417.77
From banks (unsecured)	3.38	–	602.26	–
	16,305.56	**13,849.78**	**3,333.10**	**2,575.92**

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

(₹ in Crores)

Particulars	Non-current portion		Current maturities	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
The above amount includes				
Secured borrowings	10,026.70	13,831.70	2,395.39	2,572.23
Unsecured borrowings	6,278.86	18.08	937.71	3.69
Amount disclosed under the head "other current liabilities" (refer note 12)	–	–	(3,333.10)	(2,575.92)
Net amount	**16,305.56**	**13,849.78**	**–**	**–**

1 Debentures include Secured Non-Convertible Redeemable Debentures amounting to ₹ 1,184.00 crore (previous year ₹ 1,999.00 crore) are secured by first Pari-passu charge on all the immovable and movable assets of Multi-purpose Terminal, Terminal-II and Container Terminal –II project assets and specific charge over land (valued at market value)

2 Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 150.00 crore (previous year ₹ 645.00 crore) are secured by exclusive mortgage and charge on entire Single Point Mooring (SPM) facilities serving Indian Oil Corporation Limited - Mundra and the first charge over receivables from Indian Oil Corporation Limited.

3 a) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 400.00 crore (previous year ₹ 1,000.00 crore) 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 ₹ 500.00 crore (previous year ₹ 500.00 crore) 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 ₹ 1,400.00 crore (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 ₹ 233.37crore (previous year ₹ 255.84 crore) carries interest @ 6 months Euribor plus basis point in the range of 95 to 140. Further, out of the above loan ₹ 216.52 crore is repayable in 13 semi-annual instalments of approx. ₹ 16.66 crore, loan ₹ 13.30 crore is repayable in 2 semi-annual equal instalments of ₹ 6.65 crore and 1 semi-annual instalment of ₹ 3.55 crore 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 ₹ 16.40 crore (previous year ₹ 30.94 crore) carries interest @ 6 months Libor plus 225 basis point. The loan is repayable in 4 quarterly equal instalments of ₹ 4.10 crore 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 ₹ 98.14 crore (previous year ₹ 102.07 crore) carries interest @ 6 months Euribor plus 75 basis point. The loan is repayable in 11 semi annually equal instalments of approx. ₹ 8.19 crore and one semi-annual instalment of ₹ 7.96 crore 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 NIL (previous year ₹ 1,879.69 crore) was secured by the first pari passu charge on all the immovable and movable assets pertaining to Multi purpose terminal, Terminal II, Container Terminal II, project assets of the company and carry interest @ 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 ₹ 275.00 crore) 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 ₹ 1,875.00 crore) 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 ₹ 93.53 crore (previous year ₹ 97.64 crore) carries interest @ 4.6% p.a. Out of these loans,₹ 34.23 crore are repayable in 24 semi-annual equal installments of ₹ 1.43 crore, ₹ 17.89 crore are repayable in 12 semi-annual equal installments of ₹ 1.49 crore,₹ 12.08 crores are repayable in 10 semi-annual equal installments of ₹ 1.20 crore, ₹ 29.39 crore are repayable in 20 semi-annual equal installments of ₹ 1.47 crore 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 ₹ 210.94 crore) 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 ₹ 250 crore) 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 ₹ 131.94 Crore (previous year ₹ 134.38 Crore) 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. ₹ 9.42 crore each.

15 Foreign Currency Loan aggregating to NIL (previous year ₹ 312.50 Crore) carries interest @ 3 months 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 ₹ 397.53 crore (previous year NIL) carries interest @ 3 months libor plus 228 basis point. ₹ 331.28 crore is repayable in 3 annual instalment of approx. ₹ 110.42 crore and ₹ 66.26 crore is repayable in 3 annual instalment of approx. ₹ 22.08 crore. 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 ₹ 1,007.08 crore (previous year NIL) carries interest @ 6 months libor plus 180 basis point. ₹ 100.70 crores is repayable in one annual instalment of ₹ 100.70 crore, ₹ 402.83 crores is repayable in 2 annual instalment of approx. ₹ 201.42 crores and ₹ 503.54 crores is repayable in 2 annual instalment of approx. ₹ 251.77 crores. 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 ₹ 102.00 crore) 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 ₹ 450.00 crore) carrying interest rate at 11.45% p.a were secured by exclusive charge on land parcel of 90 hectares situated at Mundra taluka Kutch District, Gujarat. The loan is repaid during the year.

20 Rupee term loan amounting to NIL (previous year ₹ 200.00 crore) 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 ₹ 94.88 crore) 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 ₹ 26.71 crore) 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 ₹ 82.65 crore (previous year NIL) carries

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

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 ₹ 4306.58 crore (previous year NIL) carries interest @ 3.50% p.a. is bullet repayment in the year 2020.

b) Foreign Currency loan ₹ 662.55 crore (previous year NIL) carries interest @ 2.30 % for six months is bullet payment in the year 2017.

c) Foreign Currency loan ₹ 331.28 crore (previous year NIL) carries interest @ 1.95 % p.a. is bullet payment in the year 2016.

d) Foreign Currency loan ₹ 231.89 crore (previous year NIL) carries basis overnight libor plus 120 basis point is bullet payment in the year 2017.

e) Foreign Currency Loan aggregating to ₹ 394.55 crore (previous year NIL) carries interest @ 2.85% fixed for 18 months and there after Libor plus 2.2%. The Loan is bullet repayment in the year 2021.

f) Foreign Currency Loan aggregating to ₹ 662.55 crore (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 ₹ 16.69 crore (previous year ₹ 18.44 crore) carries interest @ 2.12 % p.a.

The outstanding loan amount is repayable in 8 semi- annual equal installment of ₹ 2.09 crore from the balance sheet date.

h) Suppliers bills accepted under foreign currency letters of credit aggregating to ₹ 14.55 crore (previous year NIL) carries interest at 6 months Libor plus basis point of 30 and 12 months 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 ₹ 197.88 crore (previous year ₹ 218.80 crore), rupee term loan Nil (previous year ₹ 373.68 crore) and suppliers bills accepted under foreign currency letter of credit amounting to ₹ 5.15 crore (previous year ₹ 5.16 crore) 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 ₹ 48.20 crore (previous year ₹ 77.96 crore) and Foreign Currency Loans from financial institutions amounting to ₹ 43.32 crore (previous year ₹ 57.21 crore) and suppliers bills accepted under foreign currency letter of credit amounting to ₹ 1.20 crore (previous year ₹ 1.07 crore) taken by Adani Logistics Limited are secured by equitable mortgage of immovable properties of the Company and first charge by way of hypothecation of all movable assets and intangible assets and assignment of book debt, revenues and receivable of the Company. Of the above loans, the foreign currency loans from banks amounting to ₹ 48.20 crore (previous year ₹ 77.96 crore) 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 ₹ 43.32 crore (previous year ₹ 57.21 crore) 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 ₹ 56.23 crore (previous year ₹ 75.00 crore) taken by Karnavati Aviation Private Limited carries interest 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 ₹ 123.61 crore (previous year ₹ 118.00 crore) taken by Karnavati Aviation Private Limited carries interest 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 ₹ 2,142.89 crore (previous year ₹ 1591.26 crore), rupee term loans amounting toNil (previous year ₹ 95.00 crore) and suppliers bills accepted under foreign currency letter of credit amounting to ₹ 169.75 crore (previous year ₹ Nil). Of the above loans, foreign currency loan carries interest @ 3% to 4% p.a. foreign currency loan of ₹ 1,444.36 crore is repayable in 28 structured quarterly installments starting June 30, 2014 and ₹ 698.52 crore 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 Murmugao Port Terminal Private Limited includes rupee term loans amounting to Nil (previous year ₹ 154.26 crore). 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 ₹ 241.01 crore (previous year ₹ 229.68 crore) 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 ₹ 141.62 crore (previous year - ₹ 147.65 crore) 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 ₹ 133.39 crore (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 ₹ 15.69 crore(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 ₹ 140 crore) 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 ₹ 223.02 crore (previous year ₹ 230.37 crore) are availed against a corporate guarantee given by the Company and ₹ 21.20 crore 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 ₹ 56.12 crore (previous year ₹ 50.01 crore) carries interest of 0.48% to 0.86%. ₹ 7.48 crore are secured on pari passu basis by first mortgage of all the immovable assets of the Company, both present and future and are

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

further secured by hypothecation of movable assets, both present and future of the Company and ₹ 48.64 crore are unsecured and for which corporate guarantee given by the holding company.

Indian Rupee loan amounting Nil (previous year ₹ 166.30 crore) 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 ₹ 2,496.73 Crores equivalent USD 376.84 million (previous year Nil), out of which ₹ 124.84 crores (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 ₹ 331.28 Crores 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 ₹ 565.20 crore (previous year ₹ 2,225 Crores) out of which ₹ 18.26 crores (previous year Nil) is classified as current maturity and carries interest base rate plus 50 basis points p.a.The loan aggregating to ₹ 65.50 crores is repayable 50 installments over a period of 13 years starting from financial year 2016-17 and Loan aggregating to ₹ 499.70 crores 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 ₹ 10.74 crore (previous year ₹ 9.57 crore). The same carries interest in the range of 6M euribor plus 38 basis point. Out of which, ₹ 8.72 crore 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 ₹ 2.02 crore are unsecured.

x) Suppliers bills accepted under foreign currency letters of credit of Adani CMA Container Terminal Private Limited aggregating to ₹ 170.13 crore (previous year Nil) carries interest in range of 0.40% to 1.16% out of which ₹ 47.04 crore are secured by hypothecation of machinery, equipment and other movable assets purchased under the facility and ₹ 123.09 crore 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 ₹ 3.38 crore (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 ₹ 120.44 crore (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 ₹ 0.40 crore 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 March 31, 2020.

xiv) Loan taken by Adinath Polyfills Private Limited aggregating to ₹ 4.45 crore (previous year ₹ 3.36 crore) from its related parties. The same carries interest @ 6% p.a. and is unsecured.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

7 DEFERRED TAX

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Deferred Tax Liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting post tax holiday period	1,097.67	897.54
	1,097.67	**897.54**
Deferred Tax Assets		
Unabsorbed depreciation / business loss	17.20	26.05
Others	14.01	12.47
	31.21	**38.52**
Net Deferred Tax Liability	**1,066.46**	**859.02**
Note:		
Disclosure in Consolidated Balance Sheet is based on entity wise recognition, as follows:		
Deferred Tax Liabilities	1,066.53	859.02
Deferred Tax Assets	0.07	–
Net Deferred Tax Liability	**1,066.46**	**859.02**

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

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Advance from customers	13.93	17.32
Deposits from customers	6.15	42.06
Unearned Income under long term land lease/ infrastructure usage agreements	579.63	618.68
Capital Creditors, retention money and other payables	0.37	-
Obligations under land lease	6.27	6.50
	606.35	**684.56**

9 PROVISIONS

(₹ in Crores)

Particulars	Long Term		Short Term	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Provision for employee benefits				
Provision for gratuity (refer note 28)	1.50	0.93	9.54	4.32
Provision for compensated absences	3.30	3.07	15.91	11.87
	4.80	**4.00**	**25.45**	**16.19**
Other provisions				
Proposed Equity Dividend	–	–	–	227.71
Provision for Tax on Proposed Equity Dividend	–	–	–	46.36
Proposed Preference Dividend	–	–	*–	*–
Provision for Tax on Proposed Preference Dividend	–	–	*–	*–
Provision for Income Tax (Net of advance tax)	–	–	31.02	43.04
Provision for Mark to market losses on derivative contracts (net) (Refer note 3.1(a)(ii))	68.27	288.78	7.66	122.10
Provision for Operational Claims (Refer note below)	–	–	35.80	24.54
	68.27	**288.78**	**74.48**	**463.75**
	73.07	**292.78**	**99.93**	**479.94**

* Figures being nullified on conversion to ₹ in crore.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

(₹ in Crores)

Description	Opening Balance	Additions during the year	Utilization/ (Settled) during the year	Closing Balance
Operational Claims	24.54	17.18	5.92	35.80
	(18.54)	(6.52)	(0.52)	(24.54)

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

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Suppliers bills accepted under foreign currency letters of credit issued by Banks		
From Banks (secured)	15.91	155.55
From Banks (unsecured)	2.25	–
Commercial Paper (unsecured)	3,176.00	1,150.00
	3,194.16	1,305.55

1 Suppliers bills accepted under foreign currency letters of credit aggregating to Nil (previous year ₹ 119.85 crore) 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 ₹ 35.03 crore) 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 ₹ 15.91 crore (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 ₹ 2.25 crore (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 ₹ 0.67 crore) carries interest @ 0.61%.

6 Commercial Paper (CP) aggregating ₹ 3,176 crore (previous year ₹ 1,150 crore) carries interest rate in range of 8.15% p.a. to 9.25% p.a. The CP are repayable on maturity in the year 2016-17.

11 TRADE PAYABLES

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
- Total Outstanding dues of Micro and Small Enterprises	0.32	0.30
- Total Outstanding dues of creditors other than Micro and Small Enterprises (Refer note 44)	404.52	362.04
	404.84	362.34
Dues to related parties included in above (refer note 31)		
Trade payables	37.67	14.24

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

12 OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
(a) Current Maturities of Long-Term Borrowings (Refer note 6)	3,333.10	2,575.92
(b) Interest accrued but not due on borrowings	108.09	121.85
(c) Interest accrued but not due on Others	–	1.88
(d) Unclaimed Dividend#		
- Equity share	1.50	1.04
- Preference share	*–	*–
(e) Application money received for allotment of securities pending refund to applicants#	–	0.14
(f) Unearned Revenue	57.25	43.44
(g) Current maturities of Unearned Income under Long Term Land Lease/ Infrastructure Usage Agreements	40.22	42.12
(h) Advance from Customers	111.71	154.77
(i) Deposits from Customers	89.25	42.82
(j) Obligations under Land Lease	0.53	0.01
(k) Statutory dues, Service Tax, Tax deducted at source etc.	39.06	37.51
(l) Capital creditors, Retention money and Other Payable (Includes outstanding due to Micro and Small Enterprises creditors ₹ 0.10 crore (previous year ₹ 0.07 crore))	461.09	296.19
(m) Forward Contracts Payable	5.72	3.68
	4,247.52	**3,321.37**
* Figures being nullified on conversion to ₹ in crore.		
# Not due for credit to "Investors Education & Protection Fund"		
Dues to related parties included in above (Refer note 31)		
Advances	7.12	33.58
Deposits	36.43	5.50

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

13 FIXED ASSETS

(₹ in Crores)

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/ Adjustments	Other Adjustments		As at March 31, 2016	As at April 01, 2015	Additions on acquisition / merger	For the year	Deductions/ Adjustments	As at 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	30.56	–	0.25	–	–	–	30.81	3.90	–	0.99	–	4.89	25.92	26.66
2	Land Development Cost on Leasehold Land	793.20	2.13	34.75	–	3.97	–	834.05	99.04	–	34.42	–	133.46	700.59	694.16
3	Freehold Land	617.13	–	12.51	(3.54)	–	–	626.10	–	–	–	–	–	626.10	617.13
4	Buildings	3,395.34	1.50	196.74	(1.30)	54.89	5.41	3,652.58	450.35	–	210.05	(0.24)	660.16	2,992.42	2,944.99
5	Marine Structures	3,294.74	1.40	0.87	(0.28)	80.28	–	3,377.01	419.25	–	79.95	–	499.20	2,877.81	2,875.49
6	Dredged Channels	2,829.99	–	122.47	–	25.72	–	2,978.18	378.18	–	62.13	–	440.31	2,537.87	2,451.81
7	Tugs & Boats	1,036.62	22.43	4.82	–	38.57	–	1,102.44	266.60	–	54.17	–	320.77	781.67	770.02
8	Railway Tracks	1,091.81	–	46.63	–	10.07	5.36	1,153.87	274.98	–	84.66	–	359.64	794.23	816.83
9	Plant and Machinery	6,521.33	0.44	722.91	(21.56)	140.46	2.74	7,366.32	1,342.63	–	460.13	(8.55)	1,794.21	5,572.11	5,178.70
10	Project Assets	1,645.94	–	39.35	(14.10)	46.45	–	1,717.64	682.23	–	111.49	(11.72)	782.00	935.64	963.71
11	Aircrafts	360.29	–	–	(0.32)	10.97	–	370.94	75.32	–	17.45	–	92.77	278.17	284.97
12	Wagons	90.39	–	51.73	–	1.85	–	143.97	29.82	–	8.35	–	38.17	105.80	60.57
13	Office Equipment	49.35	–	10.15	(1.15)	0.34	–	58.69	18.18	–	9.57	(0.38)	27.37	31.32	31.17
14	Furniture & Fixtures	40.86	0.03	4.17	(0.12)	–	–	44.94	16.55	–	4.20	(0.05)	20.70	24.24	24.31
15	Computer Hardware	88.74	–	5.74	(0.05)	0.83	–	95.26	52.09	–	13.02	(0.03)	65.08	30.18	36.65
16	Vehicles	47.68	–	1.47	(1.78)	–	–	47.37	17.19	–	6.06	(1.05)	22.20	25.17	30.49
	Sub Total	**21,933.97**	**27.93**	**1,254.56**	**(44.20)**	**414.40**	**13.51**	**23,600.17**	**4,126.31**	**–**	**1,156.64**	**(22.02)**	**5,260.93**	**18,339.24**	**17,807.66**
	INTANGIBLE ASSETS														
17	Goodwill on amalgamation	78.59	–	–	–	–	–	78.59	33.73	–	2.81	–	36.54	42.05	44.86
18	Software	64.34		6.72	–	0.11	–	71.17	42.02		7.41	–	49.43	21.74	22.32
19	License Fees - Indian Railways	50.00	–	–	–	–	–	50.00	18.75	–	2.50	–	21.25	28.75	31.25
20	Right of use to develop and operate the port facilities	23.35	–	–	–	–	–	23.35	2.27	–	1.05	–	3.32	20.03	21.08
	Sub Total	**216.28**	**–**	**6.72**	**–**	**0.11**	**–**	**223.11**	**96.77**	**–**	**13.77**	**–**	**110.54**	**112.57**	**119.51**
	Total	**22,150.25**	**27.93**	**1,261.28**	**(44.20)**	**414.51**	**13.51**	**23,823.28**	**4,223.08**	**–**	**1,170.41**	**(22.02)**	**5,371.47**	**18,451.81**	**17,927.17**
	Previous Year	15,841.64	3,540.38	2,622.30	(25.28)	125.87	45.34	22,150.25	2,719.01	477.27	1,035.00	(8.20)	4,223.08	17,927.17	13,122.63

Notes:

i) Depreciation of ₹ 68.07 crore (previous year ₹ 77.22 crore) relating to the project assets has been allocated towards capitalisation / capital work-in-progress.

ii) Freehold Land includes land development cost of ₹ 12.56 crore (previous year ₹ 12.56 crore).

iii) Plant and Machinery includes cost of Water Pipeline amounting to ₹ 6.65 crore (Gross) (previous year ₹ 6.65 crore), accumulated depreciation ₹ 3.67 crore (previous year ₹ 3.28 crore) which is constructed on land owned by the government.

iv) Buildings includes 588 residential flats and 82 hostel rooms valuing ₹ 131.04 crore (previous year ₹ 131.04 crore) at Samudra Township, Mundra, which are pending to be registered in the Company's name. Further an advance of ₹ 22.00 crores (previous year ₹ 22.00 crore) is also paid to purchase additional Flats/hostel building.

v) As a part of concession agreement for development of port and related infrastructure at Mundra the Company has been allotted land on lease basis by Gujarat Maritime Board (GMB). The Company has recorded 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 ₹ 221.80 crore (previous year ₹ 221.80 crore). 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

14 NON CURRENT INVESTMENTS

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
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.	40.00	40.00
1,73,30,000 (previous year - 1,73,30,000) fully paid Equity Shares of ₹ 10 each of Bharuch Dahej Railway Company Limited.	17.33	17.33
5,50,000 (previous year Nil) fully paid Equity Shares of ₹ 10 each of Mundra Solar Technopark Private Limited.	0.55	–
In Equity Shares of Associates		
4,900 (previous year - 4,900) fully paid Equity Shares of ₹ 10 each of Dholera Infrastructure Private Limited	–	*–
	57.88	**57.34**
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	150.00	–
In Government Securities		
National Savings Certificates (Lodged with Government Department) & others	0.01	0.01
	150.01	**0.01**
	207.89	**57.35**

* Figures being nullified on conversion to ₹ in crore.

Note:

1) Aggregate cost of unquoted investments as at March 31, 2016 ₹ 207.89 crore (previous year - ₹ 57.35 crore).

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

15 LOANS AND ADVANCES

(₹ in Crores)

Particulars	Non-Current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Capital advances				
Secured, considered good	74.28	83.36	–	–
Unsecured, considered good	718.45	249.98	–	–
Unsecured, Doubtful	5.74	–	–	–
	798.47	333.34	–	–
Less : Provision for Doubtful Advances	(5.74)	–	–	–
(A)	**792.73**	**333.34**	**–**	**–**
Capital advance includes ₹ 74.28 crore (previous year ₹ 65.95 crore) paid to various parties and government authorities towards purchase of land.				
The Group has bank guarantees of ₹ 151.21 crore (Previous year ₹ 83.36 crore) against capital advances.				
Loan and advances to related parties				
Unsecured considered good (also refer note 31) (refer note below)	1,359.46	8.79	1,169.34	2,175.73
(B)	**1,359.46**	**8.79**	**1,169.34**	**2,175.73**
Advances recoverable in cash or kind				
Unsecured, considered good (refer note 44)	33.12	4.72	412.63	100.01
(C)	**33.12**	**4.72**	**412.63**	**100.01**
Other loans and advances (Unsecured Considered Good)				
Income Taxes (net) - Recoverable	85.17	85.05	–	–
MAT Credit Entitlement (Refer note 33 and 38 (u))	2,135.46	1,521.92	–	–
Prepaid expenses	3.78	9.30	73.20	28.28
Loans and Advances to employees	2.11	1.85	2.64	2.49
Gratuity Fund	–	–	–	0.26
Balances with statutory / Government authorities	127.04	100.98	169.64	138.41
Advance against Equity Investment (Refer note 31 and 36 (b))	302.00	–	–	–
Inter Corporate Deposit (net of provision ₹ 0.75 crore (previous year Nil)) (Refer note below)	1,563.21	59.45	398.25	1,273.16
(D)	**4,218.77**	**1,778.55**	**643.73**	**1,442.60**
Deposit-Others				
- Considered Good (Refer note 31 and 36(b))	1,292.69	364.73	110.27	25.46
- Considered Doubtful	–	–	7.27	–
	1,292.69	364.73	**117.54**	25.46
- Provision for Doubtful Deposits	–	–	(7.27)	–
(E)	**1,292.69**	**364.73**	**110.27**	**25.46**
Total (A+ B + C + D+E)	**7,696.77**	**2,490.13**	**2,335.97**	**3,743.80**

Note :

The Group has granted interest bearing inter-corporate loans and deposits aggregating ₹ 2,200.25 crore (previous year ₹ 2,133.73 crore) (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 ₹ 1,217.37 crore (previous year ₹ 1,261.35 crore) (including renewals on due dates) to third parties. The deposits are given at prevailing market interest rates. The inter-corporate deposits have been approved by the Finance committee of the Board of Directors.

The Group has received adequate undertaking on record by its Promoters' Company to safeguard the full recovery of this amount together with the interest. In the opinion of the Group, all these loans /deposits are considered good and realisable as at the year end.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

16 CURRENT INVESTMENT (valued at lower of cost and fair value, unless stated otherwise)

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
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	10.00	–
2,57,28,677.21 units (previous year NIL) of ₹ 10 each in JM High Liquidity Fund (Direct) -growth option Direct Plan Growth	106.50	–
77,08,317.274 units (previous year NIL) of ₹ 10 each in LIC NOMURA MF Income Plus Fund - Direct - Growth Plan	15.00	–
23,812.968 units (previous year NIL) of ₹ 10 each in Reliance Liquid Fund -Treasury Plan- Direct growth Plan	5.00	–
355.93 units (previous year NIL) of ₹ 10 each in Reliance Money Manager Fund - Direct growth plan	0.07	–
Nil (previous year 2,00,005.939 units) of ₹ 10 each in DSP Black Rock Liquidity Fund - Direct Plan - Daily Dividend	–	20.02
Nil (previous year 9,98,496.517 units) of ₹ 10 each in Birla Sun Life Cash Plus Daily Div - Direct Plan - Reinvest	–	10.00
Nil (previous year 12,79,728.144 units) of ₹ 10 each in ICICI Prudential Liquid -Direct Plan-Daily Dividend	–	12.80
Nil (previous year 49,998.666 units) of ₹ 10 each in Pramerica Liquid Fund - Direct Plan - Daily Dividend – Reinvest	–	5.00
Nil (previous year 14,95,641.577 units) of ₹ 10 each in SBI Premier Liquid Fund - Direct Plan - Daily Dividend	–	150.05
Nil (previous year 16,94,771.630 units) of ₹ 10 each in Sundaram Money Fund - Direct Plan-Growth	–	5.00
	136.57	**202.87**
Aggregate amount of unquoted investments	136.57	202.87
Net Assets value	136.67	202.87

17 INVENTORIES (Valued at lower of cost and net realizable value)

(₹ in Crores)

Particulars	Non-Current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Stores, spares and consumables (Includes Goods in Transit of ₹ 0.99 crore (previous year ₹ 2.52 crore)) (refer note 3.1 (a) (iii))	–	–	213.74	259.19
Project work in progress	682.75	123.06	–	–
	682.75	**123.06**	**213.74**	**259.19**
Amount disclosed under non-current assets (refer note 19)	(682.75)	(123.06)	–	–
	–	**–**	**213.74**	**259.19**

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

18 TRADE RECEIVABLES (Unsecured considered good except to the extent stated below)

(₹ in Crores)

Particulars	Non-Current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good (refer note 44)	–	–	883.05	518.50
Considered doubtful	–	–	20.93	13.28
	–	**–**	**903.98**	**531.78**
Provision for doubtful receivables	–	–	(20.93)	(13.28)
(A)	**–**	**–**	**883.05**	**518.50**
Other receivables (refer note below)	22.00	438.86	1,060.64	769.27
(B)	**22.00**	**438.86**	**1,060.64**	**769.27**
Total (A+B)	**22.00**	**438.86**	**1,943.69**	**1,287.77**
Includes due from related parties (refer note 31)				
Considered good	–	356.14	1,233.34	491.65

Note : Includes ₹ 30.53 crore (previous year ₹ 671.03 crore) contractually collectable on deferred basis.(incl. where receivable period extended).

19 OTHER ASSETS

(₹ in Crores)

Particulars	Non-Current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Unsecured, considered good unless stated otherwise				
Non-current bank balances (refer note 20)	132.98	26.38	–	–
(A)	**132.98**	**26.38**	**–**	**–**
Unamortised ancillary cost of borrowings	53.71	87.04	14.52	25.13
Receivable for Sale of Investments (Refer note 38(v))	–	–	87.54	81.62
Non Trade Receivable	–	2.76	13.07	32.36
Interest accrued on deposits and loans and advances	1.81	70.56	357.29	214.58
Other Non Current Assets Project work in progress (Refer note 17, 36 (e), 40)	682.75	123.06	–	–
Forward Contracts Receivable	–	–	27.48	–
Accrued Revenue	–	–	236.93	304.33
Land Lease Receivables	466.81	192.72	3.77	5.43
Other Assets	–	0.03	–	–
(B)	**1,205.08**	**476.17**	**740.60**	**663.45**
Total (A + B)	**1,338.06**	**502.55**	**740.60**	**663.45**

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

20 CASH AND BANK BALANCES

(₹ in Crores)

Particulars	Non-Current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Cash and cash equivalents				
Balances with banks:				
On current accounts	–	–	597.84	69.66
Deposits with original maturity of less than three months	–	–	106.31	314.66
Earmarked balances with banks				
In Current Account (Earmarked for Unpaid Dividend)	–	–	1.50	1.04
Cheque on hand	–	–	150.00	100.00
Cash on hand	–	–	0.06	0.13
	–	**–**	**855.71**	**485.49**
Other bank balances				
Deposits with original maturity for more than 12 months	106.94	26.09	–	–
Deposits with original maturity for more than 3 months but less than 12 months	–	–	406.01	72.82
Margin money deposit (Refer note below)	26.04	0.29	29.23	75.47
	132.98	**26.38**	**435.24**	**148.29**
Amount disclosed under non-current assets (Refer note 19)	(132.98)	(26.38)	–	–
	–	**–**	**1,290.95**	**633.78**

Note: Margin Money and Fixed Deposit includes ₹ 55.27 crore (previous year ₹ 75.76 crore) pledged / lien against bank guarantees, letter of credit and cash credit facilities.

21 REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
a) Income from Port Operations (including related infrastructure)	5,467.12	5,080.19
b) Land Lease, Upfront Premium and Deferred Infrastructure Income (refer note below)	812.34	86.54
c) Utilities Services	47.61	47.18
d) Aircraft Operation	14.69	30.29
e) Logistic Services	627.00	591.98
f) Other operating income including construction, Infrastructure development support services and related income	286.97	315.80
	7,255.73	**6,151.98**

Note -Includes annual discounting income of ₹ 17.36 crore (previous year ₹ 17.79 crore) in respect of land lease.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

22 OTHER INCOME

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Interest income on		
Bank Deposits, Inter Corporate Deposits etc.	561.43	509.32
Customers	59.04	91.72
Dividend income on		
Current investments	0.88	9.24
Long-term investments	1.00	2.00
Profit on sale of Mutual fund	30.05	7.84
Scrap sales	6.47	7.65
Profit on sale of fixed asset (net)	0.01	2.33
Unclaimed liabilities / excess provision written back	13.85	42.27
Miscellaneous Income	12.09	13.27
	684.82	**685.64**

23 OPERATING EXPENSES

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Cargo handling / other charges to contractors (net of reimbursement)	569.43	434.02
Purchase of Traded Goods	105.31	88.26
Customer Claims (include earlier year expense Nil) (previous year ₹ 9.04 crore)	16.23	11.20
Railway's Service Charges (Net)	274.02	294.25
Tug and Pilotage Charges	55.10	56.98
Maintenance Dredging	31.55	45.17
Other expenses including customs establishment charges	17.20	4.48
Repairs to Plant & Machinery	51.99	48.54
Stores, Spares and Consumables (net of reimbursement)	133.12	116.16
Repairs to Buildings	15.43	13.78
Power & Fuel (net of reimbursement)	171.26	163.89
Waterfront Charges	214.96	212.05
Construction Contract Expenses*	41.39	80.79
Cost of Land Leased / Sub-Leased	6.09	0.02
Cargo Freight and Transportation Expenses	75.98	72.05
Aircraft Operating Expenses	12.75	14.57
	1,791.81	**1,656.21**

*Includes material of ₹ 32.10 crore (previous year ₹ 30.62 crore) and services ₹ 9.28 crore (previous year ₹ 49.14 crore)

24 EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Salaries, Wages and Bonus (net of reimbursement)	246.92	205.01
Contribution to Provident & Other Funds	10.92	8.99
Gratuity Expenses (Refer note 28)	7.74	6.23
Workmen and Staff Welfare Expenses	16.59	16.93
	282.17	**237.16**

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

25 OTHER EXPENSES

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Rent	21.25	16.40
Port Management Fees	63.94	–
Rates and Taxes	6.16	7.49
Insurance (net of reimbursement)	16.37	21.73
Advertisement and Publicity	15.19	12.84
Other Repairs and Maintenance (net of reimbursement)	31.96	25.45
Legal and Professional Expenses	73.78	63.53
IT Support Services	10.16	10.67
Security Services Charges	34.87	20.31
Communication Expenses	6.71	3.39
Electric Power Expenses	1.23	3.49
Travelling and Conveyance	25.16	19.09
Directors Sitting Fee	0.37	0.20
Commission to Non-executive Directors	0.62	0.60
Charity and Donations (Refer note (c) below)	56.86	42.12
Loss on Foreign Exchange Variation (net)	104.94	72.25
Provision for Doubtful Debts	7.65	4.96
Provision for Doubtful Advance and Deposits	13.76	–
Loss on Sale of Fixed Assets (net)	2.92	–
Miscellaneous Expenses	37.33	31.78
	531.23	**356.30**

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 ₹ 4.09 crore (previous year ₹ 3.33 crore) 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 ₹ 100 crore 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 ₹ 0.10 crore (previous year ₹ 0.10 crore) 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 Crores)

Particulars	As at March 31, 2016	As at March 31, 2015
i) Not later than one year	0.10	0.10
ii) Later than one year and not later than five years	0.43	0.42
iii) Later than five years	0.88	0.99

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

(c) Details Corporate Social Responsibilities

(₹ in Crores)

	March 31, 2016	March 31, 2015
1. Gross Amount required to Spent during the year	44.01	36.51

(₹ in Crores)

2 Amount spent during the year ended	In cash	Yet to be	Total
March 31, 2016			
i) Construction/acquisition of any asset	13.77	–	13.77
ii) On purposes other than (i) above	30.69	–	30.69
Total	44.46	–	44.46
March 31, 2015			
i) Construction/acquisition of any asset	3.20	–	3.20
ii) On purposes other than (i) above	33.49	–	33.49
Total	36.69	–	36.69

26 FINANCE COSTS

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Interest		
Debentures /Bonds	418.28	372.24
Fixed Loans, Buyer's Credit, Short Term etc.	698.56	805.91
Interest on income tax	3.57	–
Interest others	1.51	8.72
Bank Charges and Amortisation of Ancillary borrowing cost	102.28	57.35
	1,224.20	1,244.22
(Gain) /Loss on Derivatives / Swap Contracts (net) (refer note 3.1 (a) (ii))	(125.16)	(69.16)
	1,099.04	1,175.06

27 EARNINGS PER SHARE (EPS)

(₹ in Crores)

Particulars	March 31, 2016	March 31, 2015
Net Profit for the year	2,867.36	2,314.33
Less: Dividends on Non-Cumulative Redeemable Preference Shares & tax thereon	*–	*–
Net profit for calculation of basic and diluted EPS	**2,867.36**	**2,314.33**
* Figures being nullified on conversion to ₹ in crore.		
	No.	No.
Weighted average number of equity shares in calculating basic and diluted EPS	2,07,09,51,761	2,07,00,51,620
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 ₹ 8.86 crore (previous year ₹ 8.42 crore) as expenses under the following defined contribution plan.

(₹ in Crores)

Contribution to	2015-16	2014-15
Provident Fund	8.58	8.09
Superannuation Fund	0.28	0.33
Total	**8.86**	**8.42**

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 Corporation of India (LIC) and Tata AIG Life Insurance Company Limited (Tata AIG) in the form of a qualifying insurance policy.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

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 Crores)

Particulars	Gratuity (Funded) March 31, 2016	Gratuity (Funded) March 31, 2015
Current Service cost	4.02	2.03
Interest Cost on benefit obligation	1.32	0.93
Expected return on plan assets	(0.94)	(0.74)
Actuarial loss recognised in the year	3.34	4.01
Net benefit expense	**7.74**	**6.23**

Note: Actual return on plan assets ₹ 0.86 crore (previous year ₹ 0.93 crore)

Balance Sheet

b) Details of Provision for gratuity (₹ in Crores)

Particulars	Gratuity (Funded) March 31, 2016	Gratuity (Funded) March 31, 2015
Present value of defined benefit obligation	24.27	16.62
Fair value of plan assets	13.23	11.63
Net (liability)	**(11.04)**	**(4.99)**

c) Changes in Present Value of the defined benefit obligation are as follows: (₹ in Crores)

Particulars	Gratuity (Funded) March 31, 2016	Gratuity (Funded) March 31, 2015
Balance at the beginning of the period	16.62	10.19
Current Service cost	4.02	2.03
Interest Cost	1.32	0.93
Actuarial loss on obligations	3.26	4.20
Benefits paid	(0.95)	(0.72)
Liability Transferred	–	(0.01)
Balance at the end of the period	**24.27**	**16.62**

d) Changes in Fair Value of Plan Assets are as follows: (₹ in Crores)

Particulars	Gratuity (Funded) March 31, 2016	Gratuity (Funded) March 31, 2015
Opening fair value of plan assets	11.63	8.74
Expected return	0.94	0.74
Contributions by employer	0.85	2.19
Benefits Paid	(0.11)	(0.23)
Actuarial (losses) /gains	(0.08)	0.19
Closing fair value of plan assets	**13.23**	**11.63**

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 ₹ 13.23 crore (previous year ₹ 11.63 crore) is as certified by the LIC/TATA AIG.

2. The Group's expected contribution to the fund in the next financial year is ₹ 14.79 crore. (previous year ₹ 4.88 crore)

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

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	100.00	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) March 31, 2016	Gratuity (Funded) 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 is 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 Crores)

Gratuity	March 2016	March 2015	March 2014	March 2013	March 2012
Defined benefit obligation	(24.27)	(16.62)	(9.46)	(7.98)	(6.09)
Plan Assets	13.23	11.63	8.22	6.14	5.04
Surplus/(deficit)	(11.04)	(4.99)	(1.24)	(1.84)	(1.05)
Experience loss /(gain) on plan liabilities	1.63	4.20	0.18	0.72	0.10
Experience loss /(gain) on plan assets	(0.08)	0.19	0.13	0.04	(0.07)

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

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 Crores)

Sr. No.	Particulars	Port and SEZ Activities	Others	Eliminations	Total
1	**Revenue**				
	External Sales	6,754.84	500.89	–	7,255.73
		5,664.16	*487.82*	–	*6,151.98*
	Inter-Segment Sales		**345.76**	**(345.76)**	–
		–	*319.24*	*(319.24)*	–
	Total Revenue	6,754.84	846.65	(345.76)	7,255.73
		5,664.16	*807.06*	*(319.24)*	*6,151.98*
2	**Results**				
	Segment Results	**3,604.96**	**20.75**	**–**	**3,625.71**
		2,964.47	*64.66*	–	*3,029.13*
	Unallocated Corporate Income (Net of expenses)	–	–	–	**9.72**
		–	–	–	*46.10*
	Operating Profit	–	–	–	**3,635.43**
		–	–	–	*3,075.23*
	Less: Finance Expense	–	–	–	**1,099.04**
		–	–	–	*1,175.06*
	Add: Interest Income				**620.47**
					601.04
	Profit before tax	–	–	–	**3,156.86**
		–	–	–	*2,501.21*
	Gross Current Taxes (net of MAT credit)	–	–	–	**119.49**
		–	–	–	*(18.82)*
	Deferred Tax	–	–	–	**207.43**
		–	–	–	*195.54*
	Total Tax	–	–	–	**326.92**
		–	–	–	*176.72*
	Profit after tax	–	–	–	**2,829.94**
		–	–	–	*2,324.49*
	Less: Minority Interest	–	–	–	**(42.10)**
		–	–	–	*10.16*
	Add : Share of Associates				**(4.68)**
					–
	Net profit	–	–	–	**2,867.36**
		–	–	–	*2,314.33*

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

(₹ in Crores)

Sr. No.	Particulars	Port and SEZ Activities	Others	Eliminations	Total
3	**Other Information**				
	Segment Assets	**25,686.58**	**1,192.16**	**–**	**26,878.74**
		21,565.89	*1,165.46*	–	*22,731.35*
	Unallocated Corporate Assets	–	–	–	**12,485.73**
		–	–	–	*9,350.84*
	Total Assets	**25,686.58**	**1,192.16**	**–**	**39,364.47**
		21,565.89	*1,165.46*	–	*32,082.19*
	Segment Liabilities	**1,741.00**	**135.43**	**–**	**1,876.43**
		1,614.48	*97.72*	–	*1,712.20*
	Unallocated Corporate Liabilities	–	–	–	**24,121.53**
		–	–	–	*19,443.14*
	Total liabilities	**1,741.00**	135.43	–	25,997.96
		1,614.48	*97.72*	–	*21,155.34*
	Capital Expenditure during the year	**2,484.94**	41.87	–	2,526.81
		1,754.32	*46.70*	–	*1,801.02*
	Segment Depreciation(Expense)	**1,028.76**	50.68	–	1,079.44
		865.15	*46.53*	–	*911.68*
	Non-Cash Expenses other than Depreciation (net)	**94.10**	5.60	–	99.70
		52.04	*8.32*	–	*60.36*
	Unallocated Non-Cash Expenses other than Depreciation	–	–	–	1,099.04
		–	–	–	*1,175.06*

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	–

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2016	Proportion of Ownership Interest (%) March 31, 2015
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 the 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

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

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.

Joint Venture	Adani International Container Terminal Private Limited
	Adani CMA Mundra Terminal Private Limited
Associate	Dholera Infrastructure Private Limited
	Mundra Solar Technopark Private Limited [w.e.f. September 03,2015 to March 05, 2016]
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 Infrastructure and Developers Private Limited
	Adani Mundra SEZ Infrastructure Private Limited
	Adani Townships And Real Estate Company Private Limited
	Mundra Port Pty Ltd, Australia
	Shanti Builder
Entities over which major shareholders of the Company are able to exercise significant influence through voting powers.	Adani Agri Fresh Limited
	Adani Bunkering Private Limited
	Adani Enterprises Limited
	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
	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)

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

Detail of Consolidated Related Party Transactions for the year ended March 31, 2016 (₹ in Crores)

Category	Name of Related Party	March 31, 2016	March 31, 2015
Income from Port Services / Other Operating Income	Adani Enterprises Limited	385.16	352.58
	Adani Foundation	2.37	3.31
	Adani International Container Terminal Private Limited	72.66	69.09
	Adani Power Limited	519.73	530.47
	Adani Power Maharashtra Limited	128.13	100.27
	Adani Power Rajasthan Limited	129.32	100.13
	Adani Wilmar Limited	58.19	38.70
	Sarguja Rail Corridor Private Limited	0.10	–
	Adani Mundra SEZ Infrastructure Private Limited	0.84	–
	Mundra Solar Technopark Private Limited	0.08	–
	Mundra Solar PV Limited	0.80	–
	Adinath Polyfills Private Limited	0.22	–
	Adani Bunkering Private Limited	25.55	32.70
Recovery of expenses (Reimbursement)	Adani Foundation	–	0.02
	Adani International Container Terminal Private Limited	3.86	–
	Adani CMA Mundra Terminal Private Limited	–	0.28
	Gautambhai S Adani Family Trust	–	0.03
Lease & Infrastructure Usage Income/ Upfront Premium (Including Reversal)	Adani International Container Terminal Private Limited	2.10	2.10
	Adani Power Limited	2.16	2.16
	Adani Mundra SEZ Infrastructure Private Limited - (Adjustment)	(0.14)	–
	Mundra Solar Technopark Private Limited	423.15	–
	Adani Wilmar Limited (transaction reversal)	(3.05)	0.56
Purchase of Assets	Adani Power Dahej Limited	–	114.22
Purchase of Spares and consumables, Power and Fuel	Adani Enterprises Limited	–	0.00
	Adani Power Dahej Limited	–	0.38
	Adani Power Limited	0.21	9.10
	Adani CMA Mundra Terminal Private Limited	3.49	–
	Adani Bunkering Private Limited	0.02	113.11
Services Availed (including reimbursement of expenses)	Adani Enterprises Limited	25.23	24.51
	Adani Gas Limited	0.01	0.00
	Adani Global F.Z.E.	–	0.09
	Adani Institute Of Infrastructure Managament	–	0.06
	Adani International Container Terminal Private Limited	0.02	0.12
	Petronet LNG Limited	0.01	0.03
	Adani Power Limited	16.51	10.88
	Shanti Builders	–	0.58
	Adani Mundra SEZ Infrastructure Private Limited	2.34	–
	Delhi Golf Link Properties Private Limited	0.06	–
Rent/Hire charges paid	Adani International Container Terminal Private Limited	0.80	1.44
	Adani Infrastructure & Development Private Limited	0.83	–
	Delhi Golf Link Properties Private Limited	0.10	–
	Adani Properties Private Limited	0.07	0.07

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

(₹ in Crores)

Category	Name of Related Party	March 31, 2016	March 31, 2015
Interest Income on loans/ deposits/deferred accounts receivable	Adani Agri Fresh Limited	125.46	119.25
	Adani Enterprises Limited	5.97	36.36
	Adani International Container Terminal Private Limited	3.88	3.63
	Adani Power Maharashtra Limited	5.24	1.46
	Adani Power Rajasthan Limited	8.28	3.93
	Adani Power Limited	47.00	91.72
	Adani Bunkering Private Limited	13.68	14.71
	Mundra Solar Technopark Private Limited	5.89	–
	Maharashtra Eastern Grid Power Transmission Company Limited	7.03	–
	Adani Infra (India) Limited	141.52	122.22
Sale of Scrap and other Miscellaneous Income	Adani Enterprises Limited	0.06	0.01
	Adani Foundation	0.01	–
	Adani International Container Terminal Private Limited	2.72	0.02
	Adani Power Limited	0.14	0.28
	Adani Power Rajasthan Limited	–	0.02
	Adani Wilmar Limited	0.15	0.06
	Mundra Solar Technopark Private Limited	0.57	–
	Mundra Solar Limited	0.08	–
	Mundra Solar PV Limited	0.07	–
	Adani Bunkering Private Limited	0.02	0.02
Service Line contribution Received	Mundra Solar Technopark Private Limited	0.85	–
Security Deposit Received	Mundra Solar Technopark Private Limited	0.17	–
Sale of Power	Adani Power Limited	1.61	2.56
Purchase of Power	Adani Power Limited	97.65	–
	Adani Enterprises Limited	4.75	–
Loans Given	Adani Agri Fresh Limited.	–	309.81
	Adani Enterprises Limited	175.00	1,253.00
	Adani International Container Terminal Private Limited	21.56	42.00
	Dholera Infrastructure Private Limited	0.11	0.02
	Dholera Port And SEZ Limited	4.10	–
	Mundra Solar Technopark Private Limited	328.09	–
	Maharashtra Eastern Grid Power Transmission Company Limited	427.00	–
	Adani Infra (India) Limited	100.00	279.31
Advance/Deposit Given	Adani Enterprises Limited	552.00	–
	Adani Power Limited	200.00	–
	Adani Bunkering Private Limited	400.00	–

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

(₹ in Crores)

Category	Name of Related Party	March 31, 2016	March 31, 2015
Loans Received back	Adani Agri Fresh Limited.	33.48	148.93
	Adani International Container Terminal Private Limited	63.56	–
	Adani Enterprises Limited	175.00	1,253.00
	Dholera Infrastructure Private Limited	4.09	–
	Mundra Solar Technopark Private Limited	4.11	–
	Adani Bunkering Private Limited	–	192.67
	Adani Infra (India) Limited	–	103.31
	Maharashtra Eastern Grid Power Transmission Company Limited	433.32	–
Share Application Money Paid / Investment	Adani Enterprises Limited	26.10	5.19
	Mundra Solar Technopark Private Limited	2.40	–
	Adani CMA Mundra Terminal Private Limited	–	15.20
Donation	Adani Foundation	43.45	34.44
Sale of Assets	Adani International Container Terminal Private Limited	0.36	–
Purchase of Assets	Adani Power Dahej Limited	0.04	–
Sale or Redemption of Investment	S.B. Adani Family Trust (SBAFT)	–	0.13
	Adani Green Energy Limited	1.55	–
Remuneration	Mr. Gautam S. Adani	1.80	1.80
	Mr. Sudipta Bhattacharya	10.70	6.80
	Mr. Karan Adani	1.20	–
	Dr. Malay Mahadevia	3.14	10.39
Commission to Director	Mr. Gautam S. Adani	1.00	1.00
Sitting Fees	Mr. Rajesh S. Adani	0.08	0.05
Corporate Guarantee Given	Adani International Container Terminal Private Limited	USD 87.5 Mn	USD 37.50 Mn
	Adani International Container Terminal Private Limited	–	152.50
	Adani CMA Mundra Terminal Private Limited	224.00	152.50
Closing Balance			
Trade Receivable	Adani Enterprises Limited	196.41	47.60
	Adani Foundation	0.16	0.23
	Adani Infra (India) Limited	–	0.10
	Adani International Container Terminal Private Limited	2.27	30.67
	Adani Power Dahej Limited	15.74	22.69
	Adani Power Limited	623.02	632.93
	Adani Power Maharashtra Limited	96.31	27.83
	Adani Power Rajasthan Limited	87.44	80.31
	Adani Wilmar Limited	4.43	4.77
	Sarguja Rail Corridor Private Limited	0.11	–
	Mundra Solar Technopark Private Limited	196.44	–
	Adani Mundra SEZ Infrastructure Private Limited	6.90	–
	Mundra Solar PV Limited	0.79	–
	Adani Bunkering Private Limited	3.32	0.66
		1,233.34	**847.79**

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

(₹ in Crores)

Category	Name of Related Party	March 31, 2016	March 31, 2015
Loans & Advances (including advance receivable in cash or kind)	Adani Agri Fresh Limited.	1,031.40	1,064.88
	Adani Enterprises Limited	804.33	250.25
	Adani International Container Terminal Private Limited	–	42.00
	Adani Properties Private Limited	1.00	1.00
	Adani Bunkering Private Limited	410.32	0.15
	Adani Infra (India) Limited	1,168.85	1,068.85
	Adani Power Limited	200.00	–
	Adani Mundra SEZ Infrastructure Private Limited	24.75	–
	Mundra Solar Technopark Private Limited	323.98	–
	Dholera Port And SEZ Limited	4.10	–
	Dholera Infrastructure Private Limited	4.80	8.79
		3,973.53	**2,435.92**
Capital Advances	Adani CMA Mundra Terminal Private Limited	0.28	0.28
	Adani Bunkering Private Limited	–	0.03
	Adani Mundra SEZ Infrastructure Private Limited	22.00	–
		22.28	**0.31**
Trade Payable (including provisions)	Adani Enterprises Limited	12.49	3.44
	Adani Gas Limited	–	0.00
	Adani International Container Terminal Private Limited	0.08	0.12
	Adani Power Limited	10.00	8.64
	Adani Power Rajasthan Limited	–	–
	Adani CMA Mundra Terminal Private Limited	3.51	–
	Adani Power Dahej Limited	–	0.36
	Adani Bunkering Private Limited	10.73	1.64
	Adani Mundra SEZ Infrastructure Private Limited	0.47	–
	Adani Infrastructure And Developers Private Limited	0.29	–
	Adani Townships And Real Estate Company Private Limited	0.01	–
	Petronet LNG Limited.	–	0.03
	Adani Wilmar Limited	0.09	0.01
		37.67	**14.24**
Advances from Customer	Adani Enterprises Limited	0.48	26.88
	Adani Wilmar Limited	1.15	–
	Adani Power Limited	0.06	1.48
	Adani Bunkering Private Limited	2.00	2.01
	Adani Mundra SEZ Infrastructure Private Limited	0.02	–
	Adani International Container Terminal Private Limited	0.20	–
	Kutch Power Generation Limited	3.21	3.21
		7.12	**33.58**

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

(₹ in Crores)

Category	Name of Related Party	March 31, 2016	March 31, 2015
Other Current Assets	Adani Agri Fresh Limited.	–	27.25
	Adani International Container Terminal Private Limited	22.36	22.50
	Adani Power Limited	125.81	97.09
	Adani Power Maharashtra Limited	0.99	–
	Adani Power Rajasthan Limited	3.56	1.59
	Adani Wilmar Limited	–	2.77
	Adani Bunkering Private Limited	11.96	–
	Mundra Solar Technopark Private Limited	5.30	–
	Adani Mundra SEZ Infrastructure Private Limited	51.85	–
	Adani Enterprises Limited	5.37	–
	Adani Infra (India) Limited	188.23	47.03
	Abbot Point Port Holdings Pte Limited - Singapore	87.53	81.62
		502.96	**279.85**
Other Current Liabilities	Adani Enterprises Limited	1.00	1.07
	Adani International Container Terminal Private Limited	0.07	0.05
	Adani Power Limited	1.47	–
	Mundra Solar Technopark Private Limited	31.40	–
	Adani Power Dahej Limited	–	2.24
	Adani Wilmar Limited	1.85	1.85
	Adani Bunkering Private Limited	0.60	0.25
	Shanti Builder	0.04	0.04
		36.43	**5.50**
Corporate Guarantee (Given and Outstanding)	Adani International Container Terminal Private Limited	USD 125 Mn	USD 82.50 Mn
	Adani International Container Terminal Private Limited	–	152.50
	Adani CMA Mundra Terminal Private Limited	224.00	–
	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 crore.

Notes:

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 transactions amount ₹ 146.33 crore (previous year ₹ 0.31 crore) 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

32. a) 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 852.31 crore)	USD 434.16 Million (INR 2,322.71 crore)	Hedging of equivalent rupee non convertible debentures aggregate of ₹ 456.55 crore and ₹ 395.76 crore of long term loan given by the Company to its Subsidiary Company (previous year ₹ 1829.39 crore of non convertible debentures and ₹ 493.32 crore 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 3801.45 crore)	USD 20.25 Million (INR 393.86 crore)	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 444.99 crore)	–	Hedging of foreign currency borrowing principal and interest liability of USD 65.87Million (previous year Nil).
	–	EUR 4.65 Million (INR 35.17 crore)	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 228.76 crore)	–	Hedging of currency and interest rate risk of foreign currency borrowing of USD 35 Million (previous year Nil)
Interest rate future	–	INR 104.52 Crore	Hedging of Interest costs on rupee term loan Nil (previous year ₹ 104.52 crore)

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

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 (₹ In Crore)	Foreign Currency (in Million)	Amount (₹ In Crore)	Foreign Currency (in Million)
Foreign Currency Loan	5,937.64	USD 896.18	7,345.46	USD 1,175.27
	463.45	EUR 61.47	461.04	EUR 68.62
	110.21	JPY 1,868.49	116.08	JPY 2,226.88
Buyer's Credit	655.74	USD 98.88	479.89	USD 76.78
	158.39	EUR 21.01	93.45	EUR 13.91
Trade Payables	3.04	USD 0.46	18.51	USD 2.96
	1.65	EUR 0.22	3.25	EUR 0.49
	0.81	JPY 13.67	0.43	JPY 8.29
	0.05	SGD 0.01	0.03	SGD 0.01
	0.04	GBP 0.00	*	GBP #
Other Current Liabilities	53.47	USD 8.07	1.33	USD 0.21
	0.96	EUR 0.13	0.30	EUR 0.04
	–	–	0.01	JPY 0.16
Interest accrued but not due	25.69	USD 3.88	44.26	USD 7.08
	1.68	EUR 0.22	2.09	EUR 0.31
	1.00	JPY 16.87	1.04	JPY 19.88
Other Receivable	87.54	AUD 17.17	81.62	AUD 17.17
	–	–	28.75	USD 4.60
	–	–	0.08	EUR 0.01
Foreign currency Bond	4,306.58	USD 650.00	–	

* Figures being nullified on conversion to ₹ in crore.

Figures being nullified on conversion to foreign currency in million.

Closing rates as at March 31:

	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

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

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 ₹ 624.34 crore (previous year ₹ 450.60 crore) for current taxation based on its book profit for the financial year 2015-16 and has recognised MAT credit of ₹ 607.82 crore (previous year ₹ 510.79 crore) (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 ₹ 5.78 crore (previous year ₹ 15.94 crore) 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 :-

S.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%

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

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 Crores)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
A. Project Expenditure	1,840.24	968.63
B. Capital Inventory	509.50	297.85
C. Expenditure during Construction Period :		
Personnel Expenses		
Salaries, Wages & Bonus	6.52	8.57
Contribution to Provident Fund	0.27	0.33
Workmen and Staff Welfare Expense	–	0.17
Sub Total	6.79	9.07
Other Expenses		
Power & Fuel	0.72	2.08
Insurance	–	0.64
Other Repairs and Maintenance	0.16	0.51
Legal and Professional Expenses	3.69	28.62
Travelling and Conveyance	0.95	3.45
Vehicle Hiring Charges	0.28	–
Rent	0.30	1.57
Security Charges	0.14	1.04
Other Expenses	2.51	50.17
Factory and Office Expenses	0.20	–
License Fee for water front & Installation Charges	–	3.26
Sub Total	8.95	91.34
Financial Expenses		
Interest on Borrowings	55.41	12.29
Bank Charges	1.34	0.45
Ancillary Cost of Borrowings	–	0.17
Sub Total	56.75	12.91
Less : Interest Income on Bank Deposits and others	(23.62)	(0.56)
Depreciation	68.07	77.22
Total Expenditure (a)	116.94	189.98
Trial Run Income (net of expenses)	–	11.45
Scrap Sales	(0.88)	(5.42)
Miscellaneous Income	–	(1.23)
Total Income (b)	(0.88)	4.80
Net (a) + (b)	116.06	194.78
Brought Forward from Previous Year	9.07	62.33
Total	125.13	257.11
Amount capitalized during the year	(88.18)	(248.02)
Balance Carried Forward Pending Allocation / Capitalisation	36.89	9.07
Total Capital Work In Progress (A + B + C)	2,386.63	1,275.55

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

36 CAPITAL COMMITMENTS

(₹ in Crores)

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	4,671.72	2,633.02

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% share 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 Mormugao 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 ₹ 302 crore.

(ii) Memorandum of Understanding (MoU) entered to acquire immovable properties including in the nature of corporate office and flat for staff. Transaction is subject to final valuation. Advance given ₹ 700 crore.

(iii) Contract/ Commitment for purchase of certain supplies. Advance given ₹ 400 crore.

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 ₹ 17.73 crore that is equivalent to 6 times of duty saved NIL (previous year ₹ 2.95 crore). 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 ₹ 2,241.23 crore (previous year ₹ 2,107.07 crore) which is equivalent to 6 to 8 times of duty saved ₹ 300.51 crore (previous year ₹ 271.83). 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 ₹ 493 crores 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

37 DISCLOSURE PURSUANT OF ACCOUNTING STANDARD (AS) – 7 (REVISED) – CONSTRUCTION CONTRACTS ARE AS UNDER

(₹ in Crores)

Particulars	As at March 31, 2016	As at March 31, 2015
a) Contract revenue recognized during the year	179.36	10.17
b) Disclosure for Contract in Progress		
(i) Aggregate amount of contract costs incurred up to date	54.39	5.82
(ii) Recognised Profit (Less recognised losses)	124.97	4.35
(iii) Customer advances outstanding	–	–
(iv) Retention money due from customers	0.30	2.87
c) Amount due from customers	15.75	–
d) Amount due to customers	–	–

38 CONTINGENT LIABILITIES NOT PROVIDED FOR

(₹ in Crores)

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 ₹ 800.02 Crore (previous year ₹ 663.44 crore).	1,052.19	668.13
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 ₹ 3,001.35 crore (previous year ₹ 3,043.75 crore).	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.	146.33	0.31
d.	Bank Guarantees given to government authorities and bank (also includes DSRA bank guarantees given to Bank on behalf of subsidiaries and erstwhile subsidiaries.)	87.54	162.45
e.	Civil suits filed by the Customers for recovery of damages against certain performance obligations. The said civil suits are currently pending with various Civil Courts in Gujarat. The management is reasonably confident that no liability will devolve on the Company in this regard and hence no provision is made in the books of accounts towards these suits.	0.94	0.94
f.	Show cause notices from the Custom Authorities against duty on port related cargo. The Company has given deposit of ₹ 0.05 crore (previous year ₹ 0.05 crore) against the demand. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognised in the books of accounts.	0.14	0.19
g.	Customs department notice for wrongly availing duty benefit exemption under DFCEC Scheme on import of equipment. The Company has filed its reply to the show cause notice with Deputy Commissioner of Customs, Mundra and Commissioner of Customs, Mumbai against order in original. The management is of view that no liability shall arise on the Company.	0.25	0.25

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

(₹ in Crores)

S.No.	Particulars	As at March 31, 2016	As at March 31, 2015
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 ₹ 4.50 crore (previous year ₹ 4.50 crore) 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).	20.07	111.80
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 availement of CENVAT credit by the Company during financial year 2009-10 to 2011-12. The matter is currently pending at High Court of Gujarat ₹ 6.72 crore (previous year ₹ 6.72 crore); Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad ₹ 0.15 crore (previous year ₹ 0.15 crore) and Commissioner of Service Tax Ahmedabad ₹ 0.03 crore (previous year ₹ 0.03 crore). The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company.	6.90	6.90
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. The Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal against the demand order, the management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognized in the books of account.	2.00	2.00
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 ₹ 18.33 Crore 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.	18.33	–
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 ₹ 14.67 Crore along with applicable interest and penalty thereon for the differential amount of Customs Duty in respect of import of Aircraft Hawker 850 XP under Non-Scheduled Operation Permit (NSOP) has been raised on the Company.	14.53	14.53

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

(₹ in Crores)

S.No.	Particulars	As at March 31, 2016	As at March 31, 2015
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 ₹ 25.00 crore 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.	25.00	–
o.	Notice received from Superintendent / Commissioner of Service Tax Department and show cause from Directorate General of Central Excise Intelligence for wrong availing of Cenvat Credit /Service tax credit and Education Cess on input services steel and cement. The management is of the view that no liability shall arise on the subsidiary companies.	28.71	64.52
p.	The Subsidiary Company has acquired land of 25.62 Acre at Kathuwas district, Rajasthan. The Company has paid stamp duty on acquisition of such land. The Collector of stamp duty has raised a demand for additional stamp duty of ₹ 0.80 crore on the Company. The Company has filed an appeal against the said demand. 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 ₹ 0.40 crore under protest.	0.80	0.80
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 ₹ 0.35 crore under protest.	3.71	3.71
r.	Statutory claims not acknowledged as debts	0.46	0.46
s.	Interest claims not acknowledged as debts	1.32	1.15
t.	Bill Discounting with banks	499.51	449.67

(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 ₹ 103.90 and ₹ 77.96 crore for year ended March 31, 2016 and year ended March 31, 2015, respectively. Aggregating higher MAT credit entitlement of ₹ 240.86 crore 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

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

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 Crores)

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	32.06	31.29	247.22	262.48
Non-Current liabilities	–	–	562.49	529.88
Current Liabilities	205.65	0.28	298.07	337.62
Non-Current Assets	226.34	–	1,086.41	1,113.15
Current Assets	11.37	31.57	21.37	16.83
Revenue	1.26	1.78	216.99	184.20
Operating Expenses	–	–	(48.92)	(42.73)
Terminal Royalty Expenses	–	–	(39.30)	(31.99)
Employee Benefit Expenses	–	–	(2.99)	(2.91)
Depreciation Expenses	–	–	(58.87)	(59.38)
Other Expenses	(0.07)	(0.31)	(5.22)	(4.38)
Finance Charges	(0.03)	–	(47.58)	(57.84)
Profit / (Loss) Before Tax	**1.16**	**1.47**	**14.11**	**(15.03)**
Income-Tax Expense	(0.39)	(0.58)	(29.38)	(13.01)
Profit / (Loss) After Tax	**0.77**	**0.89**	**(15.27)**	**(28.04)**
Capital and other commitments	**–**	**–**	**1,202.59**	**0.01**

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 ₹ 200 crore 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 ₹ 222.36 crores towards development of Port Infrastructure Facilities to support LNG Project at Mundra. Based on broader understanding as per Preliminary agreement between the Company and the party, the Company expects to sale / lease these infrastructure facilities once definitive agreement for Mundra LNG Project is concluded.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

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 Crore	As % of consolidated profit / (loss)	Amount ₹ In Crore
Parent Company				
Adani Ports and Special Economic Zone Limited	59.73%	7,983.83	96.83%	2,776.49
Subsidiary Companies				
Indian				
The Dhamra Port Company Ltd.	5.87%	784.80	3.99%	114.47
Adani Hazira Port Pvt. Ltd.	3.63%	485.18	7.68%	220.11
Adani Petronet Dahej Port Pvt. Ltd.	4.90%	654.49	2.00%	57.23
Adani Murmugao Port Terminal Pvt. Ltd.	2.65%	353.72	-1.73%	(49.73)
Adani Logistics Ltd.	12.94%	1,729.02	0.53%	15.11
Adani Vizag Coal Terminal Pvt. Ltd.	1.45%	194.45	-2.06%	(59.03)
Adani Warehousing Services Pvt. Ltd.	0.00%	(0.02)	0.00%	(0.02)
Adani Hospitals Mundra Pvt. Ltd.	0.03%	3.87	0.03%	0.78
Mundra International Airport Pvt. Ltd.	0.03%	4.31	-0.04%	(1.06)
Mundra SEZ Textile And Apparel Park Pvt. Ltd.	0.10%	12.88	-0.27%	(7.79)
MPSEZ Utilities Pvt. Ltd.	0.17%	22.92	-0.14%	(3.93)
Adani Ennore Container Terminal Pvt Ltd	3.10%	414.49	0.00%	(0.03)
Karnavati Aviation Pvt. Ltd.	0.62%	83.24	-0.65%	(18.54)
Hazira Infrastructure Pvt. Ltd.	0.01%	1.20	0.02%	0.50
Hazira Road Infrastructure Pvt. Ltd.	0.00%	(0.05)	0.00%	(0.02)
Adani Kandla Bulk Terminal Pvt. Ltd.	6.43%	858.91	-5.21%	(149.36)
Adani Food and Agro Processing Park Pvt. Ltd.	0.00%	0.07	-0.01%	(0.23)
Adani Vizhinjam Port Pvt. Ltd	0.18%	23.94	-0.12%	(3.41)
Adani Kattupalli Port Pvt. Ltd	0.23%	30.28	-2.22%	(63.67)
Dhamra LPG Terminal Pvt. Ltd	0.00%	(0.05)	0.00%	(0.05)
Adani LPG Terminal Pvt. Ltd	0.00%	(0.01)	0.00%	(0.01)
Dhamra LNG Terminal Pvt. Ltd	0.00%	–	0.00%	(0.00)
Foreign				
Abbott Point Operations Pty Ltd.	0.00%	(0.37)	-0.01%	(0.35)
Minority interest in all subsidiaries	1.07%	142.88	1.47%	42.10
Associates (Investments as per equity method)				
Indian				
Dholera Infrastructure Private Limited	0.00%	–	-0.16%	(4.68)
Joint Ventures (as per proportionate consolidation method)				
Indian				
Adani International Container Terminal Private Limited	-3.09%	(413.07)	0.13%	3.60
Adani CMA Mundra Terminal Private Limited	-0.01%	(1.57)	0.03%	0.77
Controlling interest				
Indian				
Adinath Polyfills Private Limited	-0.02%	(2.82)	-0.07%	(1.88)
Total	**100.00%**	**13,366.51**	**100.00%**	**2,867.36**

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

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 ₹ 107.81 crore 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 ₹ 61.24 crore 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 ₹ 174.86 crore (previous year ₹ 152.33 crore) 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 ₹ 4,306.58 crore), 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 ₹ 59.54 crore 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 ₹ 48.88 crore 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 1,55,23,61,640 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 A.ppointed 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 ₹ 26.80 Crore 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 ₹ 28.02 crore, trade payable of ₹ 4.66 crore, trade receivable of ₹ 3.04 crore and loans and advances ₹ 0.57 crore.

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 & Managing Director)
DIN: 00006273

Rajesh S. Adani
(Director)
DIN: 00006322

Dr. Malay Mahadevia
(Wholetime Director)
DIN: 00064110

B Ravi
(Chief Financial Officer)

Place: Ahmedabad
Date: May 03, 2016

Dipti Shah
(Company Secretary)

Form No. AOC - 1

Salient features of the financial statement of subsidiaries/associate/joint ventures as per Companies Act, 2013

PART "A" : Subsidiaries

(₹ in Crores)

Sr. No.	Name of Subsidiary	Reporting Peiod	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	% of Shareholding
1	The Dhamra Port Company Limited	2015-16	INR	1,148.00	(752.27)	4,581.37	4,185.63	0.10	732.48	114.47	–	114.47	–	100%
2	Adani Logistics Limited	2015-16	INR	325.00	40.33	2,225.74	1,860.41	0.27	678.57	24.10	8.99	15.11	–	100%
3	Adani Hazira Port Private Limited	2015-16	INR	715.47	262.77	3,889.09	2,910.85	24.20	838.65	376.78	158.47	218.31	–	100%
4	Adani Petronet (Dahej) Port Private Limited	2015-16	INR	346.15	184.65	1,420.79	889.99	17.33	344.31	89.49	33.72	55.77	–	74%
5	MPSEZ Utilities Private Limited	2015-16	INR	13.14	67.29	102.71	22.29	–	119.90	(0.28)	3.90	(4.18)	–	100%
6	Karnavati Aviation Private Limited	2015-16	INR	45.00	(62.08)	321.98	339.07	0.01	38.92	(18.54)	–	(18.54)	–	100%
7	Adani Murmugao Port Terminal Private Limited	2015-16	INR	115.89	(78.70)	469.25	432.06	–	48.93	(49.78)	–	(49.78)	–	74%
8	Adani Vizag Coal Terminal Private Limited	2015-16	INR	101.28	(79.50)	363.74	341.95	–	17.83	(57.07)	2.08	(59.15)	–	100%
9	Adani Hospitals Mundra Private Limited	2015-16	INR	0.30	(0.11)	5.19	5.01	–	7.90	0.78	–	0.78	–	100%
10	Mundra SEZ Textile And Apparel Park Private Limited	2015-16	INR	4.77	8.40	73.47	60.31	–	3.82	(8.14)	–	(8.14)	–	56.98%
11	Adani Kandla Bulk Terminal Private Limited	2015-16	INR	120.05	(160.27)	1,117.08	1,157.30	–	77.00	(146.92)	7.50	(154.42)	–	74%
12	Hazira Infrastructure Private Limited	2015-16	INR	24.20	1.23	25.79	0.36	–	–	0.86	0.37	0.50	–	100%
13	Mundra International Airport Private Limited	2015-16	INR	3.50	(2.53)	7.88	6.91	*–	0.40	(1.06)	–	(1.06)	–	100%
14	Adani Warehousing Services Private Limited	2015-16	INR	0.05	(0.02)	0.04	0.01	–	–	(0.02)	–	(0.02)	–	100%
15	Adani Ennore Container Terminal Private Limited	2015-16	INR	0.05	(0.04)	437.74	437.73	–	–	(0.03)	–	(0.03)	–	100%
16	Hazira Road Infrastructure Private Limited	2015-16	INR	0.05	(0.05)	*–	–	–	–	(0.02)	–	(0.02)	–	100%
17	Dhamra LNG Terminal Private Limited	September 04, 2015 to March 31, 2016	INR	0.05	*–	0.05	*–	–	–	*–	–	*–	–	100%
18	Abbot Point Operations Pty Ltd	May 15, 2015 to March 31, 2016	AUD	*–	(0.37)	0.02	0.39	–	–	(0.35)	–	(0.35)	–	100%
19	Adani LPG Terminal Private Limited	August 25, 2015 to March 31, 2016	INR	0.05	(0.01)	0.05	0.01	–	–	(0.01)	–	(0.01)	–	100%
20	Dhamra LPG Terminal Private Limited	August 24, 2015 to March 31, 2016	INR	0.05	(0.05)	*–	–	–	–	(0.05)	–	(0.05)	–	100%
21	Adani Vizhinjam Port Private Limited	July 27, 2015 to March 31, 2016	INR	0.05	(3.41)	148.38	151.75	–	–	(3.41)	–	(3.41)	–	100%
22	Adani Kattupalli Port Private Limited	August 14, 2015 to March 31, 2016	INR	0.05	(63.48)	56.62	120.05	–	23.69	(63.48)	–	(63.48)	–	100%
23	Adani Food And Agro-Processing Park Private Limited	May 05, 2015 to March 31, 2016	INR	0.05	(0.23)	46.33	46.51	–	–	(0.23)	–	(0.23)	–	100%
Entity over which controlling interest held														
1	Adinath Polyfills Private Limited	2015-16	INR	0.12	(1.85)	3.03	4.76	–	0.95	(1.96)	(0.08)	(1.88)	–	100%

* Figures being nullified on conversion to ₹ in crore.

Names of subsidiaries which are yet to commence operations-

Sr. No.	Name of the Subsidiary
1	Hazira Infrastructure Private Limited
2	Adani Warehousing Services Private Limited
3	Adani Ennore Container Terminal Private Limited
4	Hazira Road Infrastructure Private Limited
5	Dhamra LNG Terminal Private Limited
6	Abbot Point Operations Pty Ltd
7	Adani LPG Terminal Private Limited
8	Dhamra LPG Terminal Private Limited
9	Adani Vizhinjam Port Private Limited
10	Adani Food And Agro-Processing Park Private Limited

PART "B" : Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Crores)

Sr. No.	Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/ Joint Ventures held by the company on the year end		Extend of holding %	Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit /(Loss) for the year	
			No. of Shares	Amount of Investment in Associates/ Joint Ventures					Considered in Consolidation	Not Considered in Consolidation
1	Adani International Container Terminal Private Limited	March 31, 2016	31,02,01,040	310.20	50%	Note-A	NA	247.22	(15.27)	–
2	Adani CMA Mundra Terminal Private Limited	March 31, 2016	3,03,95,000	30.40	50%	Note-A	NA	32.06	0.77	–
3	Dholera Infrastructure Private Limited	March 31, 2016	4,900	*–	49%	Note-A	NA	(4.33)	(4.33)	–

Note :

* Figures being nullified on conversion to ₹ in crore.

A. There is significant influence/joint control due to percentage (%) of Share holding.

Names of associates or joint ventures which are yet to commence operations

Sr. No.	Names of associates or joint ventures
1	Adani CMA Mundra Terminal Private Limited
2	Dholera Infrastructure Private Limited

For and on behalf of the Board of Directors

	Gautam S. Adani	Rajesh S. Adani	Dr. Malay Mahadevia	B Ravi	Dipti Shah
Place: Ahmedabad	(Chairman & Managing Director)	(Director)	(Wholetime Director)	(Chief Financial Officer)	(Company Secretary)
Date: May 03, 2016	DIN: 00006273	DIN: 00006322	DIN: 00064110		

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of Adani Ports and Special Economic Zone Limited will be held on Tuesday, August 9, 2016 at 10:30 a.m. at J.B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015 to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended on March 31, 2016 and the Reports of the Board of Directors and Auditors thereon.

2. To confirm the payment of interim dividend on Equity Shares.

3. To declare dividend on Preference Shares.

4. To appoint a Director in place of Dr. Malay Mahadevia (DIN: 00064110), who retires by rotation and being eligible, offers himself for re-appointment.

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. S R B C & CO LLP, Chartered Accountants, Ahmedabad (Firm Registration No.: 324982E / E300003), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company to be held in the calendar year 2017 at such remuneration (including fees for certification) and reimbursement of out of pocket expenses for the purpose of audit as may be fixed by the Board of Directors of the Company, on the recommendation of the Audit Committee."

Special Business:

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded for the payment of remuneration to Mr. Karan Adani, Chief Executive Officer of the Company w.e.f. September 1, 2016, who is a relative of Director(s) to hold office or place of profit under the Company on the terms and conditions as set out in the explanatory statement attached hereto and forming part of this notice in compliance with the provisions of the Companies Act, 2013 and as agreed by and between the Board of Directors and Mr. Karan Adani."

   "RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) be and is hereby authorized to vary and alter the terms and conditions of the said appointment including increase/revision in remuneration payable to Mr. Karan Adani from time to time in compliance with the provisions of the Companies Act, 2013."

   "RESOLVED FURTHER THAT the Board of Directors or its Committee thereof be and is hereby authorised to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Foreign Exchange Management Act, 1999, as amended or restated ("FEMA"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated (the "ICDR Regulations"), the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended or restated, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000, as amended or restated, and subject to all other applicable laws, statutes, rules, circulars, notifications, regulations and guidelines of the Government of India, the Securities and Exchange Board of India (the "SEBI"), the Reserve Bank of India (the "RBI"), the Foreign Investment Promotion Board (the "FIPB"), the relevant stock exchanges where the equity shares of the Company are listed (the "Stock Exchanges") and all other appropriate statutory and regulatory authorities, as may be applicable or relevant, whether in India or overseas (hereinafter collectively referred to as the "Appropriate Authorities"), the enabling provisions of the Memorandum and Articles of Association of the Company, as amended, and the listing agreements entered into by the Company with the Stock Exchanges and subject to requisite approvals, consents, permissions and sanctions, if any, of the Appropriate Authorities and subject to such conditions and modifications as may be prescribed by any of them in

granting any such approvals, consents, permissions, and sanctions (hereinafter referred as the "Requisite Approvals") which may be agreed to by the Board of Directors of the Company (hereinafter referred as the "Board" which term shall be deemed to include any committee constituted or to be constituted by the Board to exercise its powers including the powers conferred by this resolution, or any person(s) authorised by the Board or its committee for such purposes), consent of the Company be and is hereby accorded to the Board in its absolute discretion, to create, offer, issue and allot, from time to time in either one or more international offerings, in one or more foreign markets, in one or more tranches and/or in the course of one or more domestic offering(s) in India, such number of equity shares and/or any securities linked to, convertible into or exchangeable for equity shares including without limitation through Global Depository Receipts ("GDRs") and/or American Depository Receipts ("ADRs") and/or convertible preference shares and/or convertible debentures (compulsorily and/or optionally, fully and/or partly) and/or commercial papers and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with equity shares of the Company at a later date simultaneously with the issue of non-convertible debentures and/or Foreign Currency Convertible Bonds ("FCCBs") and/or Foreign Currency Exchangeable Bonds ("FCEBs") and/or any other permitted fully and/or partly paid securities/ instruments/ warrants, convertible into or exchangeable for equity shares at the option of the Company and/or holder(s) of the security(ies) and/or securities linked to equity shares (hereinafter collectively referred to as "Securities"), in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India or abroad whether rupee denominated or denominated in foreign currency, to such investors who are eligible to acquire such Securities in accordance with all applicable laws, rules, regulations, guidelines and approvals, through public issue(s), rights issue(s), preferential issue(s), private placement(s) and/or qualified institutional placement in terms of Chapter VIII of the SEBI (ICDR) Regulations or any combinations thereof, through any prospectus, offer document, offer letter, offer circular, placement document or otherwise, at such time or times and at such price or prices subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, at a discount or premium to market price or prices in such manner and on such terms and conditions including as regards security, rate of interest, etc., as may be deemed appropriate by the Board in its absolute discretion, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, for an aggregate amount, not exceeding ₹10,000 Crores (Rupees Ten Thousand Crores Only) or foreign currency equivalent thereof, at such premium as may from time to time be decided by the Board and the Board shall have the discretion to determine the categories of eligible investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors at the time of such offer, issue and allotment considering the prevailing market conditions and all other relevant factors and where necessary in consultation with advisor(s), lead manager(s), and underwriter(s) appointed by the Company."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue(s) of Securities may, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, have all or any terms, or combination of terms, in accordance with domestic and/or international practice, including, but not limited to, conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever and all other such terms as are provided in offerings of such nature including terms for issue of additional equity shares or variation of the conversion price of the Securities during the duration of the Securities."

"RESOLVED FURTHER THAT in case of any offering of Securities, including without limitation any GDRs/ADRs/FCCBs/FCEBs/other securities convertible into equity shares, consent of the shareholders be and is hereby given to the Board to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Securities referred to above in accordance with the terms of issue/offering in respect of such Securities and such equity shares shall rank pari passu with the existing equity shares of the Company in all respects, except as may be provided otherwise under the terms of issue/offering and in the offer document and/or offer letter and/or offering circular and /or listing particulars."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to engage, appoint and to enter into and execute all such agreement(s)/ arrangement(s)/ MoU(s)/ placement agreement(s)/ underwriting agreement(s)/ deposit agreement(s)/ trust deed(s)/ subscription agreement/ payment and conversion agency agreement/ any other agreements or documents with any consultants, lead manager(s), co-lead manager(s), manager(s), advisor(s), underwriter(s), guarantor(s), depository(ies), custodian(s), registrar(s), agent(s) for service of process, authorised representatives, legal advisors / counsels, trustee(s), banker(s), merchant banker(s) and all such advisor(s), professional(s), intermediaries and agencies as may be required or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees and such other expenses as it deems fit, listing of Securities in one or more Indian/ International Stock Exchanges, authorizing any director(s) or any officer(s) of the Company, severally, to sign for and on behalf of the Company offer document(s), arrangement(s), application(s), authority letter(s), or any other related paper(s)/document(s), give any undertaking(s), affidavit(s), certification(s), declaration(s)

including without limitation the authority to amend or modify such document(s)."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, consent of the members of the Company be and is hereby accorded to the Board to do all such acts, deeds, matters and/or things, in its absolute discretion and including, but not limited to finalization and approval of the preliminary as well as final document(s), determining the form, terms, manner of issue, the number of the Securities to be allotted, timing of the issue(s)/ offering(s) including the investors to whom the Securities are to be allotted, issue price, face value, number of equity shares or other securities upon conversion or redemption or cancellation of the Securities, premium or discount on issue /conversion/exchange of Securities, if any, rate of interest, period of conversion or redemption, listing on one or more stock exchanges in India and / or abroad and any other terms and conditions of the issue, including any amendments or modifications to the terms of the Securities and any agreement or document (including without limitation, any amendment or modification, after the issuance of the Securities), the execution of various transaction documents, creation of mortgage/charge in accordance with the provisions of the Act and any other applicable laws or regulations in respect of any Securities, either on a pari passu basis or otherwise, fixing of record date or book closure and related or incidental matters as the Board in its absolute discretion deems fit and to settle all questions, difficulties or doubts that may arise in relation to the issue, offer or allotment of the Securities, accept any modifications in the proposal as may be required by the Appropriate Authorities in such issues in India and/or abroad and subject to applicable law, for the utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent and that the members shall be deemed to have given their approval thereto for all such acts, deeds, matters and/or things, expressly by the authority of this resolution."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board is authorised on behalf of the Company to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Securities and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Company and/or any agency or body authorised by the Company may, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, issue certificates and/or depository receipts including global certificates representing the Securities with such features and attributes as are prevalent in international and/or domestic capital markets for instruments of such nature and to provide for the tradability or transferability thereof as per the international and/or domestic practices and regulations, and under the forms and practices prevalent in such international and/or domestic capital markets."

"RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body for the issue, upon conversion of the Securities, of equity shares of the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and/or domestic practices and regulations and under the forms and practices prevalent in international and/or domestic capital markets."

"RESOLVED FURTHER THAT the Securities may be redeemed and/or converted into and/or exchanged for the equity shares of the Company (or exchanged for equity shares of another company as permitted under applicable law), subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, in a manner as may be provided in the terms of their issue."

"RESOLVED FURTHER THAT in case of a Qualified Institutional Placement (QIP) pursuant to Chapter VIII of the SEBI (ICDR) Regulations, the allotment of eligible securities within the meaning of Chapter VIII of the SEBI (ICDR) Regulations shall only be made to Qualified Institutional Buyers (QIBs) within the meaning of Chapter VIII of the SEBI (ICDR) Regulations, such securities shall be fully paid-up and the allotment of such securities shall be completed within 12 months from the date of the resolution approving the proposed issue by the members of the Company or such other time as may be allowed by SEBI (ICDR) Regulations from time to time and that the securities be applied to the National Securities Depository Limited and/or Central Depository Services (India) Limited for admission of the eligible securities to be allotted as per Chapter VIII of the SEBI (ICDR) Regulations."

"RESOLVED FURTHER THAT the relevant date for the purpose of pricing of the Securities by way of QIP/GDRs/ ADRs/FCCBs/FCEBs or by way of any other issue(s) shall be the date as specified under the applicable law or regulation or it shall be the date of the meeting in which the Board decides to open the issue."

"RESOLVED FURTHER THAT the Board and other designated officers of the Company be and are hereby severally authorised to make all filings including as regards the requisite listing application/ prospectus/ offer document/registration statement, or any draft(s) thereof, or any amendments or supplements thereof, and of any other relevant documents with the Stock Exchanges (in India or abroad), the RBI, the FIPB, the SEBI, the Registrar of Companies and such other authorities or institutions in India and/or abroad for this purpose and to do all such acts, deeds and things as may be necessary or incidental to give effect to the resolutions above and the Common Seal of the Company be affixed wherever necessary."

"RESOLVED FURTHER THAT such of these Securities as are not subscribed may be disposed off by the Board in its absolute discretion in such manner, as the Board may deem fit and as permissible by law."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers conferred by this resolution on it, to any Committee of directors or the Managing Director or Directors or any other officer of the Company, in order to give effect to the above resolutions."

"RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time and other applicable SEBI regulations and guidelines, the provisions of the Memorandum and Articles of Association of the Company and subject to such other applicable laws, rules and regulations and guidelines, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) for making offer(s) or invitation(s) to subscribe redeemable secured/unsecured Non-Convertible Debentures (NCDs) but not limited to subordinated debentures, bonds, and/or other debt securities, etc., on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Special Resolution by the members, within the overall borrowing limits of the Company, as may be approved by the members from time to time."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to determine the terms of issue including the class of investors to whom NCDs are to be issued, time, securities to be offered, the number of NCDs, tranches, issue price, tenor, interest rate, premium/ discount, listing and to do all such acts and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds/ documents/ undertakings/ agreements/ papers/ writings as may be required in this regard."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and all other applicable acts, laws, rules, regulations, circulars and guidelines (including any statutory modifications or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions, if any required, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this resolution) to permit Foreign Institutional Investors (FIIs)/ SEBI approved sub-accounts of FIIs/ Foreign Portfolio Investors (FPIs) by whatever name called to acquire and make investment in any manner in the equity shares of the Company up to an aggregate limit of 49% (forty nine percent) of the paid-up equity share capital of the Company, which is within the sectoral limit prescribed under FEMA Regulations."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto including delegating all or any of the powers conferred herein to any committee of Directors or any Director or officer of the Company."

By order of the Board of Directors

Place: Ahmedabad
Date: May 3, 2016

Dipti Shah
Company Secretary

Registered Office:
"Adani House",
Nr. Mithakhali Six Roads,
Navrangpura,
Ahmedabad -380 009 Gujarat, India
CIN: L63090GJ1998PLC034182

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

3. Information regarding appointment/re-appointment of Directors and Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special businesses to be transacted are annexed hereto.

4. The Register of members and share transfer books of the Company will remain closed from Tuesday, August 2, 2016 to Tuesday, August 9, 2016 (both days inclusive) for the purpose of Annual General Meeting (AGM).

5. Shareholders seeking any information with regard to accounts are requested to write to the Company atleast 10 days before the meeting so as to enable the management to keep the information ready.

6. All documents referred to in the accompanying notice and explanatory statement will be kept open for inspection at the Registered Office of Company on all working days between 11.00 a.m. to 1.00 p.m. prior to date of AGM.

7. Members are requested to bring their copy of Annual Report at the meeting.

8. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.

9. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders holding shares in the physical form. The shareholders, who are desirous of availing this facility, may kindly write to Company's R & T Agent for nomination form by quoting their folio number.

10. The balance lying in the unpaid dividend account of the Company in respect of dividend declared for the financial year 2008-09 will be transferred to the Investor Education and Protection Fund of the Central Government by November, 2016. Members who have not encashed their dividend warrants pertaining to the said year may approach the Company or to the R&T Agent for obtaining payments thereof by October, 2016.

11. A route map showing directions to reach the venue of the 17th AGM is annexed.

12. Process and manner for members opting for voting through Electronic means:

    i. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of voting through electronic means is provided through the e-voting platform of Central Depository Services (India) Limited ("remote e-voting").

    ii. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. August 2, 2016, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.

    iii. A person who has acquired the shares and has become a member of the Company after the despatch of the Notice of the AGM and prior to the Cut-off date i.e. August 2, 2016, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through the Poll Paper at the AGM by following the procedure mentioned in this part.

    iv. The remote e-voting will commence on Friday, August 5, 2016 at 9:00 a.m. and will end on Monday, August 8, 2016 at 5:00 p.m. During this period, the members of the Company holding shares either

in physical form or in demat form as on the Cut-off date i.e. August 2, 2016, may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter.

v. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.

vi. The facility for voting through Poll Paper would be made available at the AGM and the members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting through Poll Paper. The members who have already cast their vote by remote e-voting prior to the Meeting, may also attend the meeting, but shall not be entitled to cast their vote again.

vii. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. August 2, 2016.

viii. The Company has appointed CS Chirag Shah, Practising Company Secretary (Membership No. FCS: 5545; CP No: 3498), to act as the Scrutinizer for conducting the remote e-voting process in a fair and transparent manner.

ix. The procedure and instructions for remote e-voting are, as follows:

Step 1 : Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com

Step 2 : Now click on "Shareholders" to cast your votes.

Step 3 : Now, fill up the following details in the appropriate boxes:

User-ID	a) For CDSL: 16 digits beneficiary ID b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID c) Members holding shares in physical form should enter the Folio Number registered with the Company.

Step 4 : Next, enter the Image Verification as displayed and Click on Login.
If you are holding shares in demat form and had logged on to, then your existing password is to be used

Step 5 : If you are a first time user follow the steps given below:

For members holding shares in demat form and physical form:	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat Bank account or the Company records for the said folio. If the details are not recorded with the Depository or Company, please enter the number of Shares held by you in the bank account column.

#Please enter the DOB or dividend bank details in order to login.

Step 6 : After entering these details appropriately, click on "SUBMIT" tab.

Step 7 : Members holding shares in physical form will then directly reach the Company selection screen. However, first time user holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password can also be used by the Demat holders for e-voting for resolution of any other Company on which they are eligible to vote, provided that the Company opts for Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

If Demat account holder has forgotten the changed password then Enter the user ID and the image verification code and click on Forgot Password and enter the details as prompted by the System.

Step 8 : For members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

Step 9 : Click on EVSN of the Company i.e. 160629008 to vote

Step 10 : On the voting page, you will see Resolution Description and against the same, the option "YES/NO" for voting. Select the relevant option as desired YES or NO and click to submit.

Step 11 : Click on the resolution file link if you wish to view the entire Notice.

Step 12 : After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

Step 13 : You can also take print out of the voting done by you by clicking on "Click here to print" option on the voting page.

Step 14 : Instructions for Non – Individual Members and Custodians:

- Non-Individual Members (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
- A scan copy of the Board Resolution and Power of Attorney ("POA") which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

x. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.adaniports.com and on the website of CDSL i.e. www.cdslindia.com within three days of the passing of the Resolutions at the 17th Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

xii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

Contact Details:

Company	:	Adani Ports and Special Economic Zone Limited Regd. Office: "Adani House ", Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat, India CIN: L63090GJ1998PLC034182 E-mail ID: Investor.apsezl@adani.com
Registrar and Transfer Agent	:	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S Marg, (West) Bhandup (W), Mumbai – 400 078 Phone: +91-22-25946970 Fax: +91-22-25946969
e-Voting Agency	:	Central Depository Services (India) Limited E-mail ID: helpdesk.evoting@cdslindia.com Phone : +91-22-22723333/8588
Scrutinizer	:	CS Chirag Shah Practising Company Secretary E-mail ID: pcschirag@gmail.com

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

For Item No. 6

The Board of Directors at its meeting held on December 28, 2015 had appointed Mr. Karan Adani as Chief Executive Officer (CEO) of the Company w.e.f. January 1, 2016.

Mr. Karan Adani holds a degree in economics from Purdue University, USA. He started his career by learning the intricacies of the port operations at Mundra. He has been looking after the operations since 2009 and now looks after the strategic development of all Adani ports in India. He aims to build the Group's identity around an integrated business model, backed by his sound understanding of new processes, systems and macro-economic issues, coupled with his growing experience.

The Board of Directors on the recommendation of Nomination and Remuneration Committee at its meeting held on May 3, 2016 had approved payment of remuneration to Mr. Karan Adani, CEO upto Rs. 1.50 crores per annum including salary, perks and other benefits w.e.f. September 1, 2016. The remuneration proposed to be paid to Mr. Karan Adani is commensurate with his experience and is in line with industry standards. Further, the Board of Directors on recommendation of the Nomination and Remuneration Committee is authorised to revise the remuneration payable to Mr. Karan Adani in compliance with the provisions of the Companies Act, 2013.

Since, Mr. Karan Adani is son of Mr. Gautam S. Adani, Chairman and Managing Director and nephew of Mr. Rajesh S. Adani, Director of the Company and his remuneration is covered under Section 188 of the Companies Act, 2013; prior approval of the shareholders by way of an ordinary resolution at the General Meeting is required.

Information in compliance with Section 188 of the Companies Act, 2013 and Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014 is as stated below:

1) Name of the related party : Mr. Karan Adani

2) Name of the Director or Key Managerial personnel who is related : Mr. Gautam S. Adani, Chairman and Managing Director and Mr. Rajesh S. Adani, Director

3) Nature of relationship : Mr. Karan Adani is son of Mr. Gautam S. Adani and nephew of Mr. Rajesh S. Adani

4) Nature, material terms, monetary value and particulars of the contract or arrangement: Mr. Karan Adani has been appointed as a Chief Executive Officer of the Company w.e.f. January 1, 2016.

   The Board of Directors on the recommendation of Nomination and Remuneration Committee at its meeting held on May 3, 2016 has approved payment of remuneration upto Rs. 1.50 crores per annum including salary, perks and other benefits w.e.f. September 1, 2016 with the power to increase/revise the remuneration as may be decided by the Board or Committee thereof, from time to time in compliance with the provisions of the Companies Act, 2013.

5) Any other information relevant or important for the members to take a decision on the proposed resolution: Mr. Karan Adani has been appointed under a contract of employment pursuant to which he may function according to directions as may be given by the Company from time to time. Contract will continue as long as he remains an employee as per the contract of employment.

The Board of Directors recommends the said resolution for your approval.

Except Mr. Gautam S. Adani, Mr. Rajesh S. Adani, Mr. Karan Adani and their relatives, none of the other Directors or Key Managerial Personnel or their relatives is, in anyway, concerned or interested in the said resolution.

For Item No. 7

The Company proposes to have flexibility to infuse additional capital, to tap capital markets and to raise additional long term resources, if necessary in order to sustain rapid growth in the business, for business expansion and to improve the financial leveraging strength of the Company. The proposed resolution seeks the enabling authorization of the members to the Board of Directors to raise funds to the extent of ₹ 10,000 Crores (Rupees Ten Thousand Crores Only) or its equivalent in any one or more currencies, in one or more tranches, in such form, on such terms, in such manner, at such price and at such time as may be considered appropriate by the Board (inclusive at such premium as may be determined) by way of issuance of equity shares of the Company ("Equity Shares") and/or any instruments or securities including Global Depository Receipts ("GDRs") and/or American Depository Receipts ("ADRs") and/or convertible preference shares and/or convertible debentures (compulsorily and/or optionally, fully and/or partly) and/or non-convertible debentures (or other securities) with warrants, and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with equity shares of the Company at a later date simultaneously with the issue of Foreign Currency Convertible Bonds ("FCCBs") and/or Foreign Currency Exchangeable Bonds ("FCEBs") and/or any other permitted fully and/or partly paid securities/instruments/warrants, convertible into or exchangeable for equity shares at the option of the Company and/or holder(s) of the security(ies) and/or securities linked to equity shares (hereinafter collectively referred to as "Securities"), in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India or abroad whether rupee denominated or denominated in foreign currency by way of private placement or otherwise.

The Special Resolution also seeks to empower the Board of Directors to undertake a Qualified Institutional Placement (QIP) with Qualified Institutional Buyers (QIBs) as defined by SEBI under Issue of Capital and Disclosure Requirements Regulations, 2009. The Board of Directors may in their discretion adopt this mechanism as prescribed under Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Further in case the Company decides to issue eligible securities within the meaning of Chapter VIII of the SEBI Regulations to Qualified Institutional Investors, it will be subject to the provisions of Chapter VIII of the SEBI Regulations as amended from time to time. The aforesaid securities can be issued at a price after taking into consideration the pricing formula prescribed in Chapter VIII of the SEBI (ICDR) Regulations. Allotment of securities issued pursuant to Chapter VIII of SEBI Regulations shall be completed within twelve months from the date of passing of the resolution under Section 42 and 62 of the Companies Act, 2013 ("Act"). This Special Resolution gives (a) adequate flexibility and discretion to the Board to finalise the terms of the issue, in consultation with the Lead Managers, Underwriters, Legal Advisors and experts or such other authority or authorities as need to be consulted including in relation to the pricing of the Issue which will be a free market pricing and may be at premium or discount to the market price in accordance with the normal practice and (b) powers to issue and market any securities issued including the power to issue such Securities in such tranche or tranches with/without voting rights or with differential voting rights.

The detailed terms and conditions for the issue of Securities will be determined in consultation with the advisors and such Authority/Authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The consent of the members is being sought pursuant to the provisions of Section 42, 62 and other applicable provisions of the Act and in terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Since the resolution involves issue of Equity Shares to persons other than existing members, special resolution in terms of Section 42 and 62 of the Act is proposed for your approval. The amount proposed to be raised by the Company shall not exceed ₹10,000 Crores (Rupees Ten Thousand Crores Only).

The Equity shares, which would be allotted, shall rank in all respects pari passu with the existing Equity Shares of the Company, except as may be provided otherwise under the terms of issue/offering and in the offer document and/or offer letter and/or offering circular and/or listing particulars.

The Board of Directors recommends the said resolution for your approval.

None of the Directors or any key managerial personnel or

any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

For Item No. 8

As per the provisions of Section 42 of the Companies Act, 2013 ("Act") read with rules made thereunder, a Company offering or making an invitation to subscribe to redeemable secured/ unsecured Non-Convertible Debentures (NCDs) on a private placement basis is required to obtain the prior approval of the members by way of a Special Resolution. Such approval by a Special Resolution can be obtained once a year for all the offers and an invitation for such debt securities to be made during the year.

It is proposed to offer or invite subscriptions for redeemable secured/ unsecured non-convertible debentures including subordinated debentures, bonds, and/ or other debt securities, etc., on private placement basis, in one or more tranches, during the period of one year from the date of passing of the Special Resolution by the members, within the overall borrowing limits of the Company, as may be approved by the members from time to time, with authority to the Board to determine the terms and conditions, including the issue price of the debt securities, interest, repayment, security or otherwise, as it may deem expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of the Resolution. Accordingly, the approval of the members is being sought by way of a Special Resolution under Section 42 and other applicable provisions, if any of the Act read with rules made thereunder.

The Board of Directors recommends the said resolution for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

For Item No. 9

In terms of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the Foreign Institutional Investors (FIIs)/ SEBI approved sub-accounts of FIIs/ Foreign Portfolio Investors (FPIs) can, in aggregate, hold upto 24% of paid-up capital of the Company.

The shareholders at its Annual General Meeting held on August 9, 2015 have approved limit upto an aggregate of 40% of paid up equity share capital of the Company.

To make more space for FIIs/FPIs to invest in the equity share capital of the Company, it is proposed to increase the present limit of FIIs/FPIs shareholding upto an aggregate limit of 49% of the paid up equity share capital of the Company.

As per the regulations, the limit may be increased upto the sectorial cap / statutory ceiling, as applicable, by the Company concerned by passing a resolution by its Board of Directors followed by passing of a Special Resolution to that effect by the members.

The Board of Directors recommends the said resolution for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

By order of the Board of Directors

Place: Ahmedabad
Date: May 3, 2016

Dipti Shah
Company Secretary

Registered Office:
"Adani House",
Nr. Mithakhali Six Roads,
Navrangpura,
Ahmedabad -380 009 Gujarat, India
CIN: L63090GJ1998PLC034182

ANNEXURE TO NOTICE

Details of Directors seeking Appointment / Re-appointment

Name of Director	Date of Birth (No. of Shares held)	Qualification	Nature of Expertise	Name of the public companies in which he holds directorship (as on March 31, 2016)	Name of Committees of public Companies of which he holds Membership/ Chairmanship* (as on March 31, 2016)
Dr. Malay Mahadevia DIN: 00064110	03.05.1963 (16,34,188 equity shares)	B.D.S. & M.D.S. from Nair Hospital Dental College, Ph.D. in Marine Ecology	Dr. Malay Mahadevia is Whole Time Director of the Company. He holds a master's degree in dental surgery from Nair Hospital Dental College. He was conferred with a doctorate of philosophy in coastal ecology around Mundra area, Kutch District, Gujarat by the Gujarat University in 2008. He has been working with the Company since 1992 and has worked on the development of the Mundra Port since its conceptualization. Currently he handles the marine and ports, special economic zones, health care, water supply, education, railway logistics and social infrastructure divisions of our Company. He has been awarded the outstanding manager of the year award of Gujarat by the Ahmedabad Management Association for the year 2002. He was also one of the finalists for 'Lead India' campaign organized by Times of India group in Gujarat. He is member of Gujarat Chamber of Commerce and Industry.	• Adani Ports and Special Economic Zone Ltd# • Vadilal Industries Ltd# • GSPC LNG Ltd. • Mundra LNG Ltd. • Adani Vizhinjam Port Pvt. Ltd.	• Vadilal Industries Ltd. • Audit Committee (Member)

Listed Company
* Represents Membership / Chairmanship of Committees viz. Audit Committee and Stakeholders Relationship Committee as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors, please refer to the Corporate Governance Report.

Adani Ports and Special Economic Zone Ltd
Regd. Office: "Adani House" Nr. Mithakhali Six Roads,
Navrangpura, Ahmedabad-380 009, Gujarat, India
CIN: L63090GJ1998PLC034182

Form No. MGT-11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	:	L63090GJ1998PLC034182
Name of the company	:	Adani Ports and Special Economic Zone Limited
Registered office	:	"Adani House" Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat, India

Name of the member(s)	:
Registered Address	:
Email ID	:
Folio No/Client ID	:
DP ID	:

I/We, being the member (s) of .....shares of the above named company, hereby appoint:

1. Name :_____
   Address :_____
   E-mail ID :_____
   Signature:_____, or failing him
2. Name :_____
   Address :_____
   E-mail ID :_____
   Signature:_____, or failing him
3. Name :_____
   Address :_____
   E-mail ID :_____
   Signature:_____,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 17th Annual General Meeting of the Company, to be held on Tuesday, the 9th day of August, 2016 at 10:30 a.m. at J.B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. Adoption of audited financial statements (including consolidated financial statements) for the financial year ended March 31, 2016 (Ordinary Resolution)
2. Confirmation of payment of interim dividend on Equity Shares (Ordinary Resolution)
3. Declaration of Dividend on Preferences Shares (Ordinary Resolution)

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4. Re-appointment of Dr. Malay Mahadevia (DIN: 00064110), as a Director of the Company who retires by rotation (Ordinary Resolution)
5. Ratification of appointment of M/s. S R B C & CO LLP, Statutory Auditors and fixing their remuneration (Ordinary Resolution)

Special Business:

6. Approval of payment of remuneration to Mr. Karan Adani, Chief Executive Officer a relative of Director(s) to hold office or place of profit under the Company (Ordinary Resolution)
7. Approval of offer or invitation to subscribe to Securities for an amount not exceeding ₹ 10,000 Crores (Special Resolution)
8. Approval of offer or invitation to subscribe to Non-Convertible Debentures on private placement basis (Special Resolution)
9. Approval for increasing the FIIs/FPIs limit to 49% of the paid-up equity share capital of the Company (Special Resolution)

Signed this ..... day of ..... 2016.

Signature of Shareholder: _____

Affix ₹ 1 Revenue Stamp

Signature of Proxy holder(s): _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

Adani Ports and Special Economic Zone Ltd
Regd. Office: "Adani House" Nr. Mithakhali Six Roads,
Navrangpura, Ahmedabad-380 009, Gujarat, India
CIN: L63090GJ1998PLC034182

Attendance Slip

Full name of the member attending_____

Full name of the joint-holder_____
(To be filled in if first named Joint – holder does not attend meeting)

Name of Proxy_____
(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 17th Annual General Meeting held at J.B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 on Tuesday, 9th August, 2016 at 10:30 a.m.

Folio No _____ DP ID No. * _____ Client ID No.* _____

*Applicable for members holding shares in electronic form.

No. of Share(s) held _____

_____
Member's / Proxy's Signature

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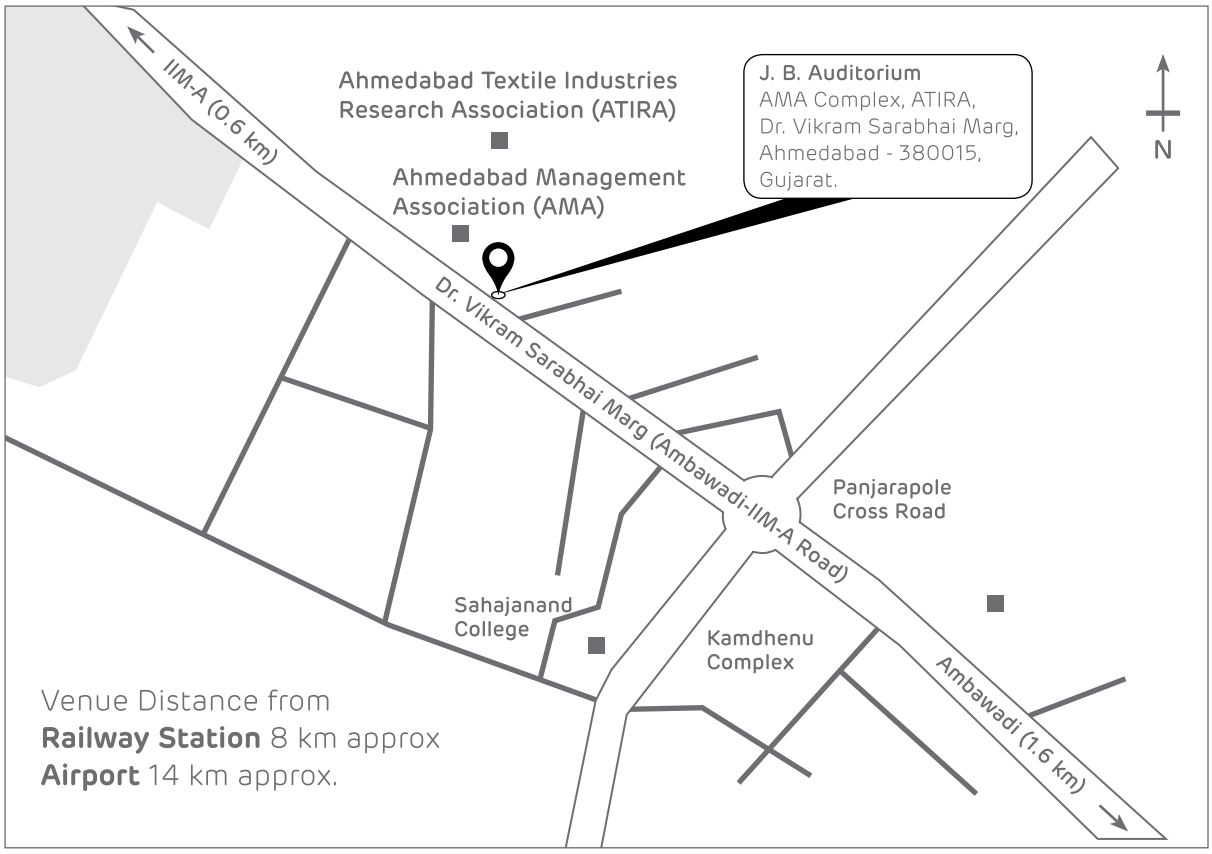
Route map to the venue of the AGM

Venue : J.B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA,
Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015.
Landmark : Opposite Indian Institute of Management, Ahmedabad.



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